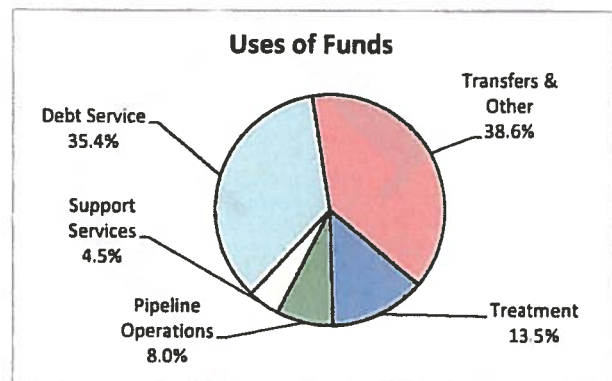
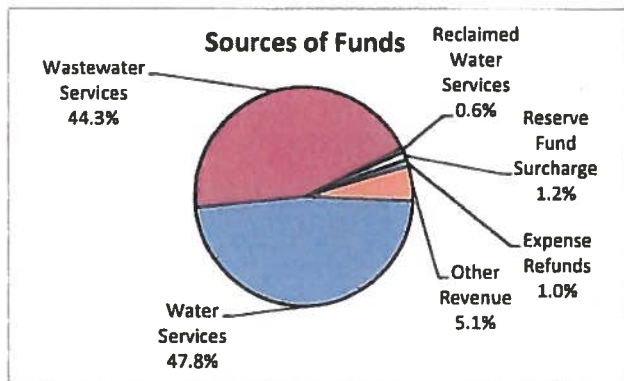


Austin Water



Budget Overview

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Water Utility Fund					
Revenue	\$243,835,832	\$276,094,422	\$306,386,499	\$288,078,963	\$303,379,647
Transfers In	\$17,350,147	\$6,450,291	\$11,063,291	\$11,063,291	\$15,064,291
Requirements	\$264,299,084	\$265,926,255	\$285,012,570	\$285,721,879	\$306,652,961
Full-Time Equivalents (FTEs)	591.53	587.00	589.91	589.91	601.77
Wastewater Utility Fund					
Revenue	\$236,654,120	\$242,909,723	\$259,167,992	\$258,956,771	\$275,559,243
Transfers In	\$3,750,291	\$3,150,291	\$7,567,722	\$7,567,722	\$5,530,722
Requirements	\$244,392,435	\$233,764,227	\$247,216,149	\$245,531,367	\$261,771,663
Full-Time Equivalents (FTEs)	562.82	557.35	555.59	555.59	561.23
Reclaimed Utility Fund					
Revenue	\$847,478	\$945,089	\$2,690,446	\$1,771,481	\$3,655,082
Transfers In	\$3,760,000	\$2,060,000	\$3,400,000	\$3,400,000	\$3,400,000
Requirements	\$5,158,498	\$4,304,636	\$4,964,386	\$5,255,718	\$4,833,342
Full-Time Equivalents (FTEs)	3.00	3.00	3.00	3.00	3.00
Expense Refunds	\$851,687	\$5,257,987	\$5,337,303	\$5,879,586	\$5,997,806
Total Budget	\$514,701,704	\$509,253,105	\$542,530,408	\$542,388,550	\$579,255,772

All Funds

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
BEGINNING BALANCE	58,187,038	52,261,960	81,483,018	77,405,715	134,565,863
REVENUE					
Water/Wastewater Revenue	472,467,659	505,421,788	560,371,937	541,721,817	575,198,825
Other Revenue	7,289,839	12,360,671	5,594,672	5,748,424	5,471,824
Interest	116,059	234,735	788,837	181,874	612,423
Public Health Licenses, Permits, Inspections	588,397	679,784	546,058	600,500	556,300
Other Fines	335,555	790,675	561,025	0	371,200
Miscellaneous Franchise Fees	167,506	189,803	145,144	232,000	147,300
Building Rental/Lease	251,963	135,770	127,670	144,800	127,700
Land & Infrastructure Rental/Lease	71,500	60,500	68,462	75,800	68,500
Scrap Sales	52,310	35,486	39,116	48,800	39,900
Development Fees	0	2,090	2,016	0	0
Property Sales	38,642	37,951	0	55,200	0
Total Revenue	481,337,430	519,949,234	568,244,937	548,807,215	582,593,972
TRANSFERS IN					
CIP	9,600,000	9,300,000	18,200,000	18,200,000	20,164,000
Austin Water Utility	3,760,000	2,060,000	3,400,000	3,400,000	3,400,000
Support Services/Infrastructure Funds	300,582	300,582	300,582	300,582	300,582
Austin Resource Recovery Fund	0	0	130,431	130,431	130,431
General Fund	11,199,856	0	0	0	0
Total Transfers In	24,860,438	11,660,582	22,031,013	22,031,013	23,995,013
TOTAL AVAILABLE FUNDS	506,197,868	531,609,816	590,275,950	570,838,228	606,588,985
PROGRAM REQUIREMENTS					
Treatment	74,446,695	71,972,224	78,636,294	77,862,091	77,925,648
Pipeline Operations	40,881,224	40,123,773	41,415,705	41,220,125	44,753,746
Support Services	22,230,549	21,827,588	23,504,557	22,749,758	25,959,748
Other Utility Program Requirements	14,300,061	9,771,500	11,152,861	11,208,923	15,586,275
Environmental Affairs & Conservation	11,721,102	10,302,354	10,888,086	11,854,102	12,050,768
Engineering Services	13,445,506	11,678,093	10,102,151	9,359,537	11,903,023
Water Resources Management	4,719,487	4,634,621	7,260,169	7,502,359	8,624,099
One Stop Shop	558,093	599,703	652,537	652,861	727,276
Reclaimed Water Services	314,442	339,436	375,185	388,355	418,361
Total Program Requirements	182,417,158	171,249,292	183,987,645	182,798,111	197,947,944
OTHER REQUIREMENTS					
Utility Billing System Support	17,209,766	15,709,766	18,317,220	18,317,220	20,401,455
Market Study Adjustment	0	0	133,117	133,117	1,157,538
Accrued Payroll	177,578	475,829	764,853	745,854	453,761
Interdepartmental Charges	0	0	166,242	166,242	169,190
Services-PID contract expense	75,000	75,000	75,000	75,000	75,000
Total Other Requirements	17,462,344	16,260,595	19,456,432	19,437,433	22,256,944
DEBT SERVICE REQUIREMENTS					
Trf to Util D/S Separate Lien	196,655,400	186,882,443	180,244,309	180,655,096	152,966,772
Trf to Utility D/S Prior Lien	2,073,137	2,701,381	2,700,906	2,700,906	38,802,558
Trf to Utility D/S Sub Lien	8,110,646	19,649,422	11,345,846	11,345,846	8,807,516
Trf to GO Debt Service	4,799,398	3,973,920	4,002,758	4,010,980	3,620,142
Trf to Util D/S Tax/Rev Bonds	717,086	714,463	727,005	727,005	645,526
Commercial paper interest	125,513	51,533	169,344	439,862	280,668
Total Debt Service Requirements	212,481,181	213,973,161	199,190,168	199,878,795	205,123,180
TRANSFERS OUT					
Trf to General Fund	37,909,193	38,755,435	40,793,280	40,793,280	42,900,531
Trf to Wastewater CIP Fund	25,459,000	20,900,000	23,250,000	23,250,000	29,200,000
Trf to Water CIP Fund	2,482,000	11,920,000	17,300,000	17,300,000	22,000,000
TRF CFR to Debt Defeasance	0	0	18,200,000	18,200,000	15,000,000
Administrative Support	0	0	12,384,793	12,384,793	13,313,654
Trf to Water Revenue Stab Rev	5,835,880	7,304,753	9,368,656	9,204,421	9,295,118
CTM Support	3,546,544	3,455,342	3,871,271	3,871,271	4,258,398

Note: Numbers may not add due to rounding.

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
Trf to Reclaimed Water Fund	3,760,000	2,060,000	3,400,000	3,400,000	3,400,000
Trf to Economic Development	614,875	1,148,827	2,011,254	2,011,254	2,812,674
Trf to Reclaimed Water CIP Fnd	900,000	1,300,000	2,000,000	2,000,000	2,000,000
Trf to CIP Mgm - CPM (5460)	0	0	0	0	1,813,549
Workers' Compensation	1,443,027	1,618,251	1,286,209	1,286,209	1,213,237
Liability Reserve	400,000	400,000	400,000	400,000	400,000
Regional Radio System	0	0	283,472	283,472	311,819
CTECC Support	0	0	9,925	9,925	10,917
Trf to CTECC Fund	8,826	10,860	0	0	0
Trf to Econ Incentive Rsv Fund	333,333	0	0	0	0
Trf to PARD CIP Fund	100,000	0	0	0	0
Trf to Support Services Fund	13,126,585	13,325,654	0	0	0
Trf to Wireless Communication	279,120	229,697	0	0	0
Trf to Environmental Rmdn Fund	447,524	83,250	0	0	0
Trf to Sustainability Fund	4,843,426	0	0	0	0
Total Transfers Out	101,489,333	102,512,069	134,558,860	134,394,625	147,929,898
TOTAL REQUIREMENTS	513,850,016	503,995,118	537,193,105	536,508,964	573,257,966
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(7,652,148)	27,614,698	53,082,845	34,329,264	33,331,019
ADJUSTMENT TO GAAP	1,727,070	1,606,360	0	0	0
ENDING BALANCE	52,261,960	81,483,018	134,565,863	111,734,979	167,896,882

Note: Numbers may not add due to rounding

Water Utility Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
BEGINNING BALANCE	15,880,830	13,249,715	30,432,528	29,748,765	62,869,748
REVENUE					
Franchise Fees					
Miscellaneous Franchise Fees	167,506	131,048	105,168	160,600	107,300
Fines, Forfeitures, Penalties					
Other Fines	335,555	790,675	561,025	0	371,200
Licenses, Permits, Inspections					
Public Health Licenses, Permits, Inspections	23,498	37,895	26,750	0	26,800
Charges for Services/Goods					
Water/Wastewater Revenue	239,663,319	288,112,126	302,589,949	284,836,427	300,027,009
Use of Money & Property					
Interest	25,622	57,751	459,057	76,400	347,902
Property Sales	45,666	27,820	23,073	54,200	23,500
Use of Property	207,581	135,935	131,830	160,200	131,900
Other Revenue					
Other Revenue	3,367,085	6,801,171	2,509,647	2,791,136	2,344,036
Total Revenue	243,835,832	276,094,422	308,386,499	288,078,963	303,379,647
TRANSFERS IN					
CIP	6,000,000	6,300,000	10,913,000	10,913,000	14,914,000
Support Services/Infrastructure Funds	150,291	150,291	150,291	150,291	150,291
General Fund	11,199,856	0	0	0	0
Total Transfers In	17,350,147	6,450,291	11,063,291	11,063,291	15,064,291
TOTAL AVAILABLE FUNDS	261,185,979	282,544,713	317,449,790	299,142,254	318,443,938
DEPARTMENT REQUIREMENTS					
Austin Water	98,248,962	90,153,097	95,549,654	96,412,317	104,462,909
Total Department Requirements	98,248,962	90,153,097	95,549,654	96,412,317	104,462,909
OTHER REQUIREMENTS					
Utility Billing System Support	13,024,145	11,620,374	13,466,330	13,466,330	12,854,313
Market Study Adjustment	0	0	80,249	80,249	697,818
Accrued Payroll	98,570	233,252	381,688	377,669	230,270
Interdepartmental Charges	0	0	83,121	83,121	84,585
Services-PID contract expense	37,500	37,500	37,500	37,500	37,500
Total Other Requirements	13,160,215	11,891,126	14,048,888	14,044,869	13,904,496
TRANSFERS OUT					
Trf to General Fund	20,006,684	19,869,923	21,157,159	21,157,159	22,585,991
Trf to Water CIP Fund	2,482,000	11,920,000	17,300,000	17,300,000	22,000,000
TRF CFR to Debt Defeasance	0	0	10,913,000	10,913,000	9,750,000
Trf to Water Revenue Stab Rsv	5,835,880	7,304,753	9,388,656	9,204,421	9,295,119
Administrative Support	0	0	7,369,386	7,369,386	7,926,702
CTM Support	1,773,272	1,727,671	1,935,635	1,935,635	2,129,199
Trf to Reclaimed Water Fund	1,880,000	630,000	1,700,000	1,700,000	1,700,000
Trf to Economic Development	324,362	621,064	1,087,301	1,087,301	1,487,904
Trf to CIP Mgm - CPM (5460)	0	0	0	0	1,173,937
Workers' Compensation	721,514	809,126	643,105	643,105	606,619
Regional Radio System	0	0	283,472	283,472	311,819
Liability Reserve	200,000	200,000	200,000	200,000	200,000
CTECC Support	0	0	4,962	4,962	5,458
Trf to CTECC Fund	4,413	5,430	0	0	0
Trf to Econ Incentive Rsv Fund	166,667	0	0	0	0
Trf to PARD CIP Fund	100,000	0	0	0	0
Trf to Support Services Fund	8,063,474	8,148,781	0	0	0
Trf to Wireless Communication	139,560	114,849	0	0	0

Note: Numbers may not add due to rounding

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
Trf to Environmental Rmdn Fund	223,762	41,625	0	0	0
Trf to Sustainability Fund	2,561,713	0	0	0	0
Total Transfers Out	44,483,301	51,393,222	71,962,676	71,798,441	79,172,748
TOTAL REQUIREMENTS	264,299,084	265,926,255	285,012,570	285,721,879	306,652,961
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(3,113,105)	16,618,458	32,437,220	13,420,375	11,790,977
ADJUSTMENT TO GAAP	481,990	564,355	0	0	0
ENDING BALANCE	13,249,715	30,432,528	62,869,748	43,169,140	74,660,725

Note: Numbers may not add due to rounding

Wastewater Utility Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
BEGINNING BALANCE	39,923,859	37,180,906	50,516,192	47,094,966	70,035,757
REVENUE					
Franchise Fees					
Miscellaneous Franchise Fees	0	58,755	39,976	71,400	40,000
Licenses, Permits, Inspections					
Public Health Licenses, Permits, Inspections	542,900	641,869	519,308	600,500	529,500
Development Fees	0	2,090	2,016	0	0
Charges for Services/Goods					
Water/Wastewater Revenue	231,984,375	236,385,807	255,118,591	255,115,283	271,521,805
Use of Money & Property					
Interest	90,251	175,750	322,731	104,100	259,450
Property Sales	45,287	45,817	16,043	49,800	16,400
Use of Property	115,881	60,335	64,302	60,400	64,300
Other Revenue					
Other Revenue	3,875,426	5,559,500	3,085,025	2,955,288	3,127,788
Total Revenue	236,654,120	242,909,723	259,167,992	258,956,771	275,559,243
TRANSFERS IN					
CIP	3,600,000	3,000,000	7,287,000	7,287,000	5,250,000
Support Services/Infrastructure Funds	150,291	150,291	150,291	150,291	150,291
Austin Resource Recovery Fund	0	0	130,431	130,431	130,431
Total Transfers In	3,750,291	3,150,291	7,567,722	7,567,722	5,530,722
TOTAL AVAILABLE FUNDS	240,404,411	246,060,014	266,735,714	266,524,493	281,089,965
DEPARTMENT REQUIREMENTS					
Austin Water	83,830,450	80,729,509	88,041,298	85,975,872	93,042,906
Total Department Requirements	83,830,450	80,729,509	88,041,298	85,975,872	93,042,906
OTHER REQUIREMENTS					
Utility Billing System Support	4,185,621	4,089,392	4,850,890	4,850,890	7,547,142
Market Study Adjustment	0	0	51,284	51,284	445,950
Accrued Payroll	77,833	243,122	378,985	365,456	221,936
Interdepartmental Charges	0	0	83,121	83,121	84,595
Services-PID contract expense	37,500	37,500	37,500	37,500	37,500
Total Other Requirements	4,300,954	4,370,014	5,401,780	5,388,251	8,337,123
TRANSFERS OUT					
Trf to Wastewater CIP Fund	25,459,000	20,900,000	23,250,000	23,250,000	29,200,000
Trf to General Fund	17,867,731	18,818,610	19,580,937	19,580,937	20,192,004
Administrative Support	0	0	5,015,407	5,015,407	5,386,952
TRF CFR to Debt Defeasance	0	0	7,287,000	7,287,000	5,250,000
CTM Support	1,773,272	1,727,671	1,935,636	1,935,636	2,129,199
Trf to Reclaimed Water Fund	1,880,000	1,430,000	1,700,000	1,700,000	1,700,000
Trf to Economic Development	289,497	525,360	919,749	919,749	1,313,519
Workers' Compensation	721,513	809,125	643,104	643,104	606,818
Trf to CIP Mgm - CPM (5460)	0	0	0	0	602,536
Liability Reserve	200,000	200,000	200,000	200,000	200,000
CTECC Support	0	0	4,963	4,963	5,459
Trf to CTECC Fund	4,413	5,430	0	0	0
Trf to Econ Incentive Rsv Fund	166,666	0	0	0	0
Trf to Support Services Fund	5,063,111	5,176,873	0	0	0
Trf to Environmental Rmdn Fund	223,762	41,625	0	0	0
Trf to Sustainability Fund	2,272,972	0	0	0	0
Trf to Wireless Communication	139,560	114,848	0	0	0
Total Transfers Out	56,061,497	49,749,542	60,516,796	60,516,796	66,586,287

Note: Numbers may not add due to rounding

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
TOTAL REQUIREMENTS	244,392,435	233,764,227	247,216,149	245,531,367	261,771,663
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(3,988,024)	12,295,787	19,519,565	20,993,126	19,318,302
ADJUSTMENT TO GAAP	1,245,071	1,039,499	0	0	0
ENDING BALANCE	37,180,906	50,516,192	70,035,757	68,088,092	89,354,059

Note: Numbers may not add due to rounding

Reclaimed Water Utility Operating Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
BEGINNING BALANCE	<u>2,382,349</u>	<u>1,831,339</u>	<u>534,298</u>	<u>561,984</u>	<u>1,660,358</u>
REVENUE					
Charges for Services/Goods Water/Wastewater Revenue	819,965	943,855	2,683,397	1,770,107	3,650,011
Use of Money & Property Interest	186	1,234	7,049	1,374	5,071
Other Revenue Other Revenue	27,328	0	0	0	0
Total Revenue	<u>847,478</u>	<u>945,089</u>	<u>2,690,446</u>	<u>1,771,481</u>	<u>3,655,082</u>
TRANSFERS IN					
Austin Water Utility	3,760,000	2,060,000	3,400,000	3,400,000	3,400,000
Total Transfers In	<u>3,760,000</u>	<u>2,060,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,400,000</u>
TOTAL AVAILABLE FUNDS	<u>4,607,478</u>	<u>3,005,089</u>	<u>6,090,446</u>	<u>5,171,481</u>	<u>7,055,082</u>
DEPARTMENT REQUIREMENTS					
Austin Water	337,747	366,686	396,693	409,922	442,129
Total Department Requirements	<u>337,747</u>	<u>366,686</u>	<u>396,693</u>	<u>409,922</u>	<u>442,129</u>
OTHER REQUIREMENTS					
Market Study Adjustment	0	0	1,584	1,584	13,770
Accrued Payroll	1,175	(545)	4,180	2,729	1,555
Total Other Requirements	<u>1,175</u>	<u>(545)</u>	<u>5,764</u>	<u>4,313</u>	<u>15,325</u>
TRANSFERS OUT					
Trf to Reclaimed Water CIP Fnd	900,000	1,300,000	2,000,000	2,000,000	2,000,000
Trf to General Fund	34,778	66,902	75,184	75,184	122,538
Trf to CIP Mgm - CPM (5460)	0	0	0	0	37,076
Trf to Economic Development	1,016	2,403	4,204	4,204	11,251
Trf to Sustainability Fund	8,741	0	0	0	0
Total Transfers Out	<u>944,535</u>	<u>1,369,305</u>	<u>2,079,388</u>	<u>2,079,388</u>	<u>2,170,863</u>
TOTAL REQUIREMENTS	<u>5,158,498</u>	<u>4,304,636</u>	<u>4,964,386</u>	<u>5,255,718</u>	<u>4,833,342</u>
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	<u>(551,019)</u>	<u>(1,299,547)</u>	<u>1,126,060</u>	<u>(84,237)</u>	<u>2,221,740</u>
ADJUSTMENT TO GAAP	<u>9</u>	<u>2,506</u>	<u>0</u>	<u>0</u>	<u>0</u>
ENDING BALANCE	<u>1,831,339</u>	<u>534,298</u>	<u>1,660,358</u>	<u>477,747</u>	<u>3,882,098</u>

Note: Numbers may not add due to rounding

Austin Water

Organization by Program and Activity for 2017

Engineering Services

Collection System Engineering
Distribution System Engineering
Facility Engineering

Environmental Affairs & Conservation

Environmental and Regulatory Services
Public Affairs
Special Services
Water Conservation
Wildland Conservation

One Stop Shop

Inspection, Review, and Support

Other Utility Program Requirements

Other Utility Program Requirements

Pipeline Operations

Pipeline O&M Support
Pipeline Wastewater Operations
Pipeline Water Operations

Reclaimed Water Services

Reclaimed Water Services Support

Support Services

Departmental Support Services

Transfers and Other Requirements

Debt Transfers
Interfund Transfers
Other Requirements

Treatment

Process Engineering
Treatment O&M Support
Wastewater Operations
Water Operations

Water Resources Management

Infrastructure Management
Systems Planning
Utility Development Services

Austin Water

Mission and Goals for 2017

Mission

The mission of Austin Water is to provide safe, reliable, high quality, sustainable, and affordable water services to our customers so that all community needs for water are met.

Goals

Strengthen customer value and stakeholder understanding and support:

- Minimize loss of water. Respond to 90% priority 1 leaks within 3 hours.
- Reduce customer service complaints. Keep customer service complaint rate to no greater than 0.08%.

Protect the water supply and promote community sustainability:

- Contribute to the conservation of the region's water supply by reducing growth of potable water demand. Work to reduce total water pumpage per capita per day to 123 gallons.
- Reduce demand for potable water. Provide 1.1 billion gallons of reclaimed wastewater for beneficial purposes.
- Protect water quality and conserve habitat for endangered species. Conduct planned conservation practices or compliance monitoring on at least 25,000 acres of Austin Water's wildlands.

Protect the public health and safety by providing high quality water services:

- Maintain quality of drinking water to a higher standard than regulatory requirements. Ensure drinking water quality turbidity is no greater than 0.10 Nephelometric Turbidity Units.
- Maintain quality of wastewater effluent being discharged to the environment by maintaining higher quality than permitted standard. Ensure carbonaceous biological oxygen demand of 3.0 in treated wastewater.
- Reduce the number and volume of Sanitary Sewer Overflows. Keep number of reportable wastewater overflows per 100 miles of sewer lines below 3.
- Maintain city-wide fire protection. Return fire hydrants back to service within 14 days, 90% of the time.

Maintain strong financial viability to ensure balanced cost structure and affordable rates:

- Ensure continued strong financial position by maintaining AA bond rating.
- Keep dollar amount of revenue recovery above \$2.5 million.
- Control total operating costs. Keep total operating costs at or below 98% of budget.
- Minimize utility debt. Keep percentage of cash funding of capital improvement spending above 20%.
- Maintain annual average water and wastewater bill of less than 1.2% of median household income.

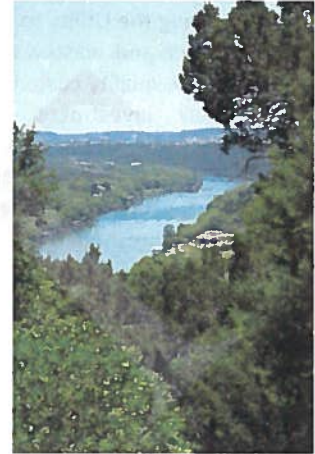
Ensure infrastructure stability and operational optimization:

- Improve effectiveness and efficiency of Capital Improvement Program project delivery. Achieve 80% of planned Capital Improvement Program spending each fiscal year.
 - Maximize energy efficiency. Use no more than 2,278 kilowatt hours (kWh) per million gallons of water, wastewater and reclaimed water services provided.
-

Austin Water

Message from the Director

Austin Water (AW) provides water, wastewater, reclaimed water, conservation and environmental protection services to a population of over one million retail and wholesale customers spanning over more than 540 square miles. AW draws water from the Colorado River into three regional water treatment plants that have a combined maximum capacity of 335 million gallons per day. Drinking water is pumped from the plants into Austin's water distribution system, which has a total reservoir storage capacity of approximately 170 million gallons. AW also operates a collection system where wastewater is treated and safely released into the Colorado River to augment environmental flows or recycled into reclaimed water for uses such as irrigation or industrial cooling. Austin Water's Hornsby Bend biosolids facility has gained national recognition for its management of the waterways and lands, leading to its recognition as a national birding sanctuary. In addition, AW manages over 40,000 acres of wildlands to protect water quality and endangered species habitat. Austin Water's award-winning Water Conservation division offers public outreach and incentive programs.



Balcones Canyonlands Preserve

Austin Water accomplishments and awards in 2016 include:

- Partnership for Safe Water: Director's Award for exceptional performance and standards at both the Ullrich and Davis Water Treatment Plants
- National Association of Clean Water Agencies: Silver Award to South Austin Regional Wastewater Treatment Plant and Walnut Creek Wastewater Treatment Plant
- Improved bond ratings by Bond Rating Agencies for Austin Water's financial outlook from Negative to Stable
- Texas Living Waters' Inaugural Water Conservation Scorecard: Highest score amongst 300 utilities in the State for Water Conservation

Austin Water continues to deliver high-quality water and wastewater services to its customers. Reliable water and wastewater services are essential to the health and welfare of the community. While AW has been recognized for the excellence of utility services and management practices, the Utility continues to face challenges including water supply sustainability, resiliency and diversification, aging infrastructure risk management, balancing financial stability with service reliability, quality and customer affordability, maintaining service levels for a growing service area, and managing regulatory requirements.

Austin Water is confident that we will meet all of the challenges we face. We continue to be a leader in our industry and will adapt to changing conditions. Our vision is to be recognized as the best water utility in the nation, in a city that strives to be the best managed city in the nation. Our team is committed to achieving these lofty goals, while providing safe, reliable, high quality, sustainable and affordable water to our customers and protecting the environment through sustainable practices.



**Greg Meszaros, Director
Austin Water**

Budget Highlights

The FY 2016-17 Budget for Austin Water addresses major operating and capital improvement issues while allowing the Utility to continue to provide high quality water and wastewater services. A reliable water supply, quality customer services, appropriate and timely investment in infrastructure and affordable rates remain the Utility's priorities. The combined storage water supply of Lakes Travis and Buchanan reached a critically low level in November of 2014, a threshold not seen since the 1950's drought of record. In 2015, the region saw an increase in rainfall that was almost double the annual average, and the amount of water flowing into the Highland Lakes was higher than any year since 2007. The combined storage of Lakes Travis and Buchanan increased by more than 1.2 million acre-feet from the 2015 to 2016 spring seasons (one acre foot is equal to 325,851 gallons). In May 2016, the City Manager lifted the Stage 2 watering restrictions and implemented the Council approved Conservation stage. The new stage includes updated residential watering days and a comprehensive Austin Water campaign to educate and engage the community regarding restrictions during this stage. Even with lifting of stage 2 restrictions, the upcoming fiscal year continues to present challenges for the Utility including balancing its financial needs while pursuing affordability for its customers, increasing service needs due to growing population and service area, maintaining and improving its infrastructure, and managing regulatory requirements.



Line Cleaning

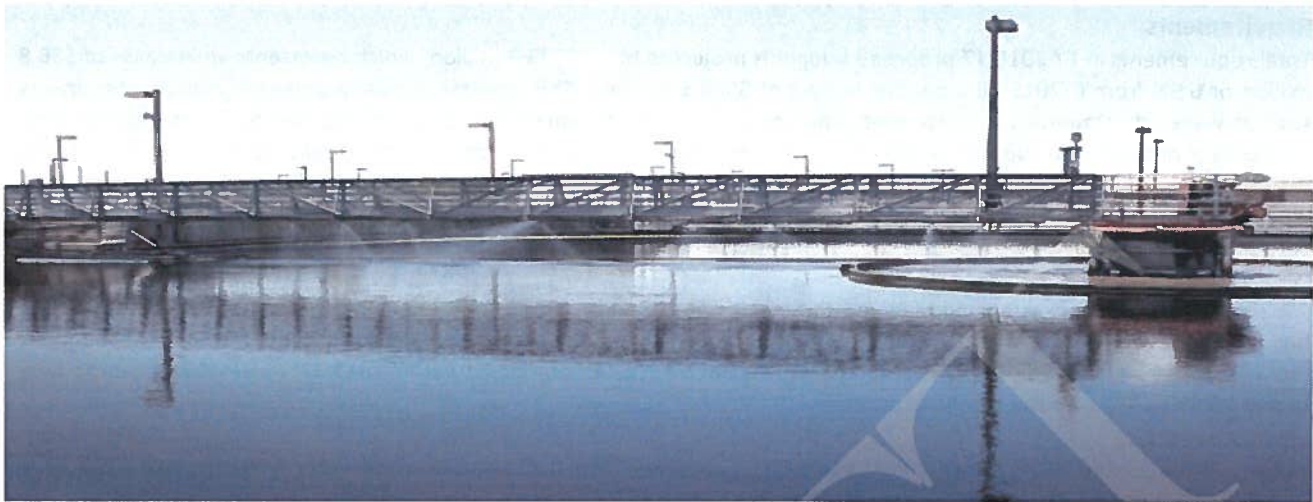
Austin Water's FY 2016-17 Budget projects total available funds of \$606.6 million and total requirements of \$573.3 million. A system-wide rate increase of 3.2% is necessary in FY 2016-17 to ensure that AW meets its cost burden while maintaining the level and quality of service it provides to its customers.

Revenue

A 2016 report published by The Living Waters Project ranked the City of Austin's water conservation policies and ongoing efforts as best in the state among more than 300 Texas utilities. The environmental consortium reviewed state reports regarding water quality standards, the amount of water loss throughout the pipeline infrastructure, and evaluated water restriction guidelines. Water conservation initiatives prolong the "trigger" to purchase additional water under the existing Lower Colorado River Authority (LCRA) supply agreement and defer the need to expand capital infrastructure in the long term, a goal the utility genuinely supports. AW aspires to lead the state and the nation in innovative ways to sustain our natural resources.

Water service revenue is inherently volatile because of extreme weather conditions and the success of Austin's water conservation programs. However, AW has strengthened its financial position through a series of business model changes recommended by several commissions and adopted by the Austin City Council. Starting in 2015, Austin Water began to collect a greater percentage of fixed revenue from its customer base and also introduced a water reserve fund volumetric surcharge. These innovative changes have not only improved the utility's financial metrics, but reinforced the City of Austin's position as a leader in conservation based pricing.

For FY 2016-17, AW is projecting an increase in revenue of \$14.4 million or 2.5%, from \$568.2 million in the current year estimate to \$582.6 million. The increase is the result of the projected growth in customers and the projected system-wide revenue rate increase.



Rates

In FY 2016-17, the projected revenue increase needed to cover operating requirements, debt service, and transfers out is higher than the projected increase in base revenue from system growth, necessitating increases in water, wastewater, and reclaimed water rates. A 3.4% rate revenue increase for water service, a 3.0% rate revenue increase for wastewater service, and a 5.8% rate revenue increase for reclaimed water for a combined rate revenue increase of 3.2% are included in the budget. In addition, the Water Reserve Fund volumetric surcharge is projected to remain at \$0.19 per 1,000 gallons in FY 2016-17. AW projects to collect \$7.3 million in Surcharge Revenue.

Annual water consumption in the residential customer class peaked in FY 2010-11, and has steadily dropped each year as the combined effects of Stage 2 water restrictions and prolonged drought weather conditions changed customer behavior. AW reduced the FY 2015-16 residential annual average per account to 5,600 gallons of water because of lower than anticipated monthly consumption over the financial forecast period. However, with the ease in water restrictions implemented in May 2016, AW anticipates for the annual average to increase to 5,800 gallons for the current and next fiscal year.

The table below reflects the proposed average residential customer annualized bill impacts for FY 2016-17. The average residential water and wastewater bill is based on 5,800 gallons of water usage and 4,000 gallons of wastewater per month with a 5/8" meter.

Average FY 2016-17 Residential Customer Bill Impact (Will update with COS)				
	Current 2016 Rates 1	Proposed 2017 Rates 2	\$ Variance	% Variance
Water Service 3	\$37.73	\$XX.XX	\$X.XX	X.X%
Wastewater Service	\$39.98	\$XX.XX	\$X.XX	X.X%
Total Revenue	\$77.71	\$XX.XX	\$X.XX	X.X%
Notes:				
1. Bills based on 5,600 gallons of water and 4,000 gallons of wastewater discharge				
2. Bills based on 5,800 gallons of water and 4,000 gallons of wastewater discharge				
3. Bills includes the Reserve Fund Surcharge				

Additional information on rates can be found in the fee schedule in Volume II of the Budget Document.

Requirements

Total requirements in FY 2016-17 proposed budget is projected to be \$573.3 million, which represents an increase of \$36.8 million or 6.9% from FY2015-16 amended budget of \$536.5 million. This increase is due to a rise in Citywide cost drivers such as wage adjustments, insurance costs, market study, fleet preventive maintenance and fuel cost, and departmental cost drivers necessary to support service needs and infrastructure maintenance. Departmental cost drivers include Austin Energy billing and customer care, additional staffing, increase in contractual costs, Public Works charges, street cuts, pipeline maintenance, and chemicals. Approximately half of the increase is due to transfers to CIP, General Fund, Support Services Fund and Debt Service.

AW's staffing levels have remained relatively flat in the last two fiscal years. AW's growing service area and customer base has resulted in increasing workloads for operational and maintenance staff and requires additional FTEs to adequately manage increased demands, improve response times, and meet efficiency goals. For FY 2016-17, Austin Water is proposing to add 20.5 new FTEs for the following purposes:

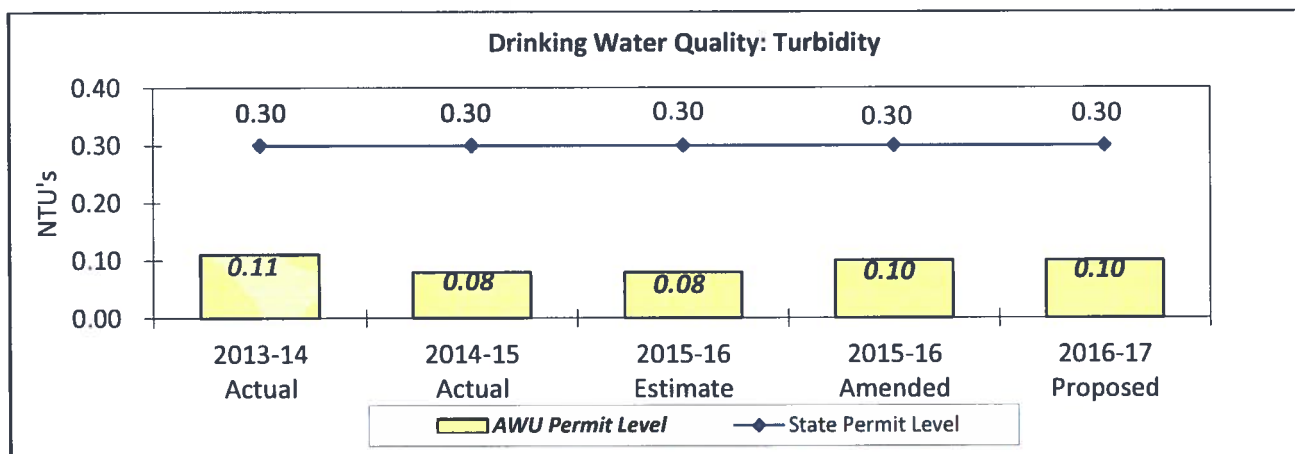
- Work related to the newly annexed Lost Creek and River Place package plants and water systems: 5
- Distribution system maintenance, small meter exchange program, and large meter testing: 4
- Supporting Supervisory Control & Data Acquisition for engineering system needs: 1
- Providing engineering support for large diameter transmissions and large valve operations: 1
- Instrumentation & Automation support for expanded service area: 1.5
- Strengthening internal controls for debt management, external agreements and annexation process: 1
- Addressing Security, Tap Sales, Lab Systems, Accident injury prevention, records management : 5
- Administrative support for Public Information Requests and Utility Development Services: 2

FY 2015-16 budget was amended to include a transfer to debt service for CRF defeasance in the amount of \$18.2 million. The transfer was made out of Capital Recovery Fee or Impact Fee revenue to set up an escrow account used to defease outstanding bond issues. A defeasance is a method of paying off outstanding bond issues early.

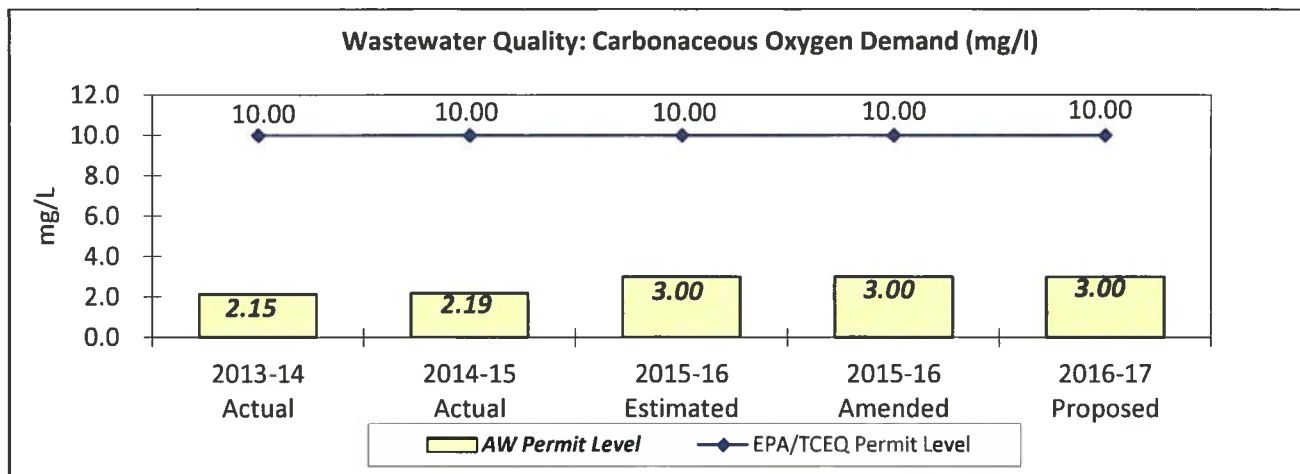
The current 5-year Capital Improvements Program (CIP) spending plan for FY 2017-21 is \$886.1 million. The emphasis is on replacement and rehabilitation of critical assets throughout the water and wastewater systems, which consist of horizontal assets (pipes, valves, etc.) and vertical assets (treatment plants, pump stations, reservoirs, lift stations, etc.). The focus on rehabilitation and replacement of older assets can reduce operating costs by increasing the efficiency of the system.

Key Performance Indicators

The following graphs indicate that both water and wastewater qualities exceed state standards.



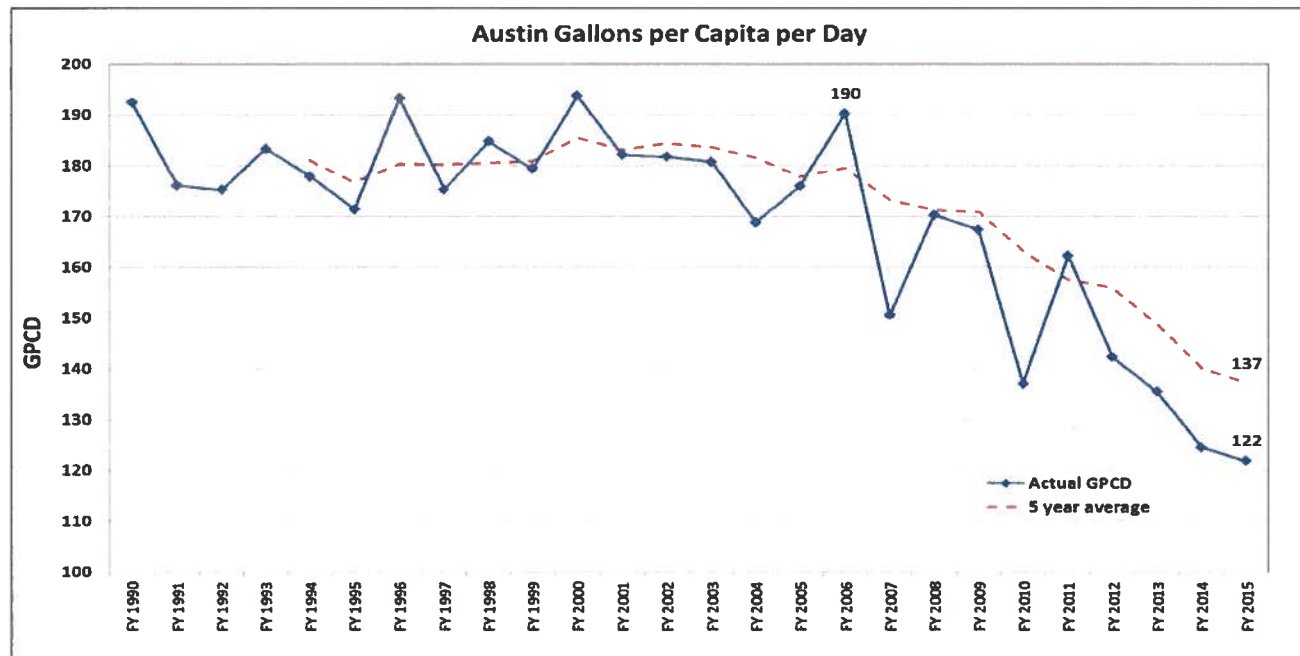
One way of assessing drinking water quality is to examine its turbidity, or the relative clarity of a liquid. Turbidity is measured in Nephelometric Turbidity Units (NTU) and it is an excellent measure of plant optimization to ensure maximum public health protection. NTUs of 1.0 or less generally are not detected by the naked eye. Per the Safe Water Drinking Act, the permit level for drinking water Turbidity is less than 0.30 NTUs 95% of the time. Austin Water projects turbidity for FY 2016-17 at 0.10 NTU's.



One way of assessing the quality level of treated wastewater effluent is to compare the actual level of Biochemical Oxygen Demand (BOD), in milligrams per liter (mg/L), to the permitted level mandated by the Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ). Austin's wastewater treatment measures have historically been well below the permitted level of 10.00 mg/L. Austin Water projects BOD for FY 2016-17 at 3.0 mg/L.

Water Conservation

Continuing initiatives in the Water Conservation program for FY 2016-17 include incentives for outdoor water use reduction, commercial equipment upgrades, and a mobile app to allow customers to better understand water use. Austin Water is exploring additional opportunities for conservation under the umbrella of the Water Forward Task Force, including projects to promote reclaimed and auxiliary water use. Recent increased rainfall has refilled storage reservoirs, allowing the lifting of drought restrictions for the first time in five years. Lessons learned from the drought led to a revision of water use codes in 2016, relaxing restrictions for car washing and hose-end sprinklers, but permanently limiting automatic irrigation to one day per week. As a result of these changes, the FY 2016-17 budget includes a slight increase in water use compared to previous years. Austin Water's long-range conservation efforts preserve environmental flows in the Colorado River and delay additional water supply costs, while reducing average water use per day. In FY 2014-15, gallons of water pumpage per capita per day (GPCD) reached 122, continuing a slow downward trend, as shown in the following graph.



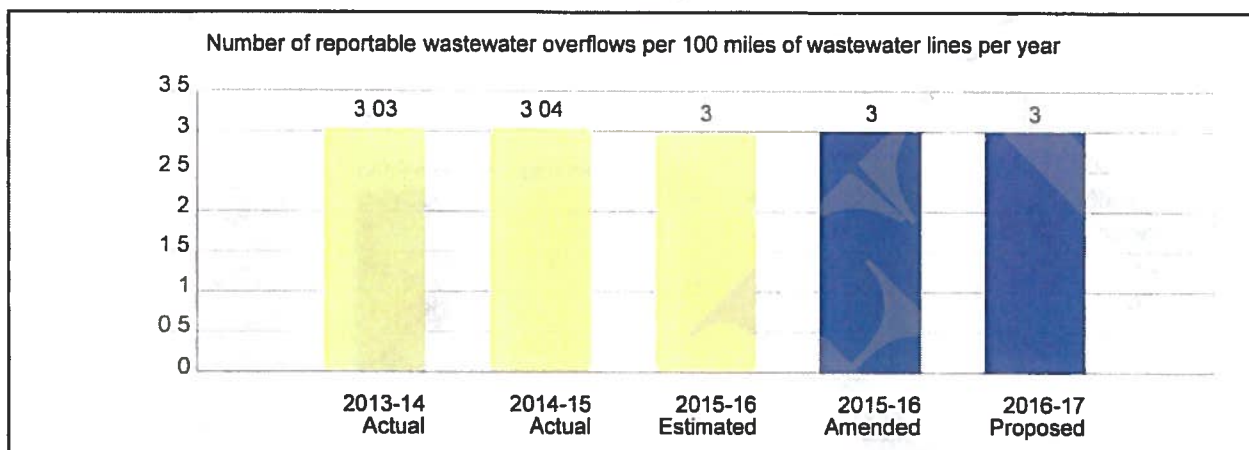
Austin Water

Budget Detail by Activity

Program: Engineering Services

Activity: Collection System Engineering

The purpose of Collection System Engineering is to provide effective engineering, program/project management, and technical support for the collection system infrastructure to reduce wastewater overflows and transport raw wastewater to the treatment plants and to rehabilitate and replace the aging water and wastewater lines.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	816,037	841,187	956,667	971,653
Wastewater Utility Operating Fund	4,267,585	3,853,963	4,057,375	4,045,499	5,047,996
Water Utility Operating Fund	683,690	290,238	313,705	179,826	241,230
Total Requirements	\$4,951,275	\$4,960,237	\$5,212,267	\$5,181,992	\$6,260,879
Full-Time Equivalents					
0					
Civilian	24.00	24.00	0.00	0.00	24.00
Total FTEs	24.00	24.00	0.00	0.00	24.00
Performance Measures					
Linear feet of deteriorated wastewater main replaced or rehabilitated	28,321	27,482	35,000	35,000	35,000
Linear feet of deteriorated water mains replaced or relocated	57,535	52,523	52,000	52,000	52,000
Number of reportable wastewater overflows per 100 miles of wastewater lines per year	3.03	3.04	3	3	3

Services

Engineering technical services for wastewater collection and water mains.

Contact

Kevin Koeller, Manager, 512-972-2055

Bold Measure = Key Indicator

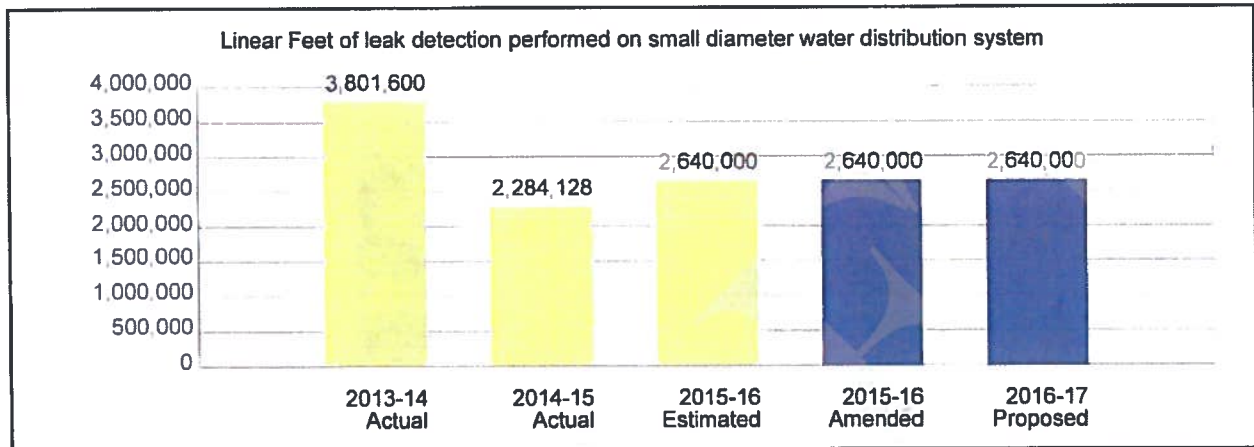
Austin Water

Budget Detail by Activity

Program: Engineering Services

Activity: Distribution System Engineering

The purpose of Distribution System Engineering is to provide effective engineering, project management and technical support to the water distribution infrastructure and control systems in order to reduce water leaks and continuously deliver reliable, safe and adequate supplies of drinking water from the treatment plants to the customers.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	31,224	37,082	31,838	43,989
Wastewater Utility Operating Fund	1,218,194	1,449,932	427,048	427,663	432,427
Water Utility Operating Fund	3,751,248	3,579,190	2,435,020	2,393,056	3,308,228
Total Requirements	\$4,969,442	\$5,060,346	\$2,899,150	\$2,852,557	\$3,784,644

Full-Time Equivalents					
0					
Civilian	10.00	10.00	0.00	0.00	17.00
Total FTEs	10.00	10.00	0.00	0.00	17.00

Performance Measures					
Linear feet of leak detection and condition assessment performed on large diameter water transmission lines	73,471	70,245	52,800	52,800	66,300
Linear Feet of leak detection performed on small diameter water distribution system	3,801,600	2,284,128	2,640,000	2,640,000	2,640,000

Services

Engineering technical services for the water distribution and transmission systems.

Contact

Mark Dollins, Manager, 512-972-1028

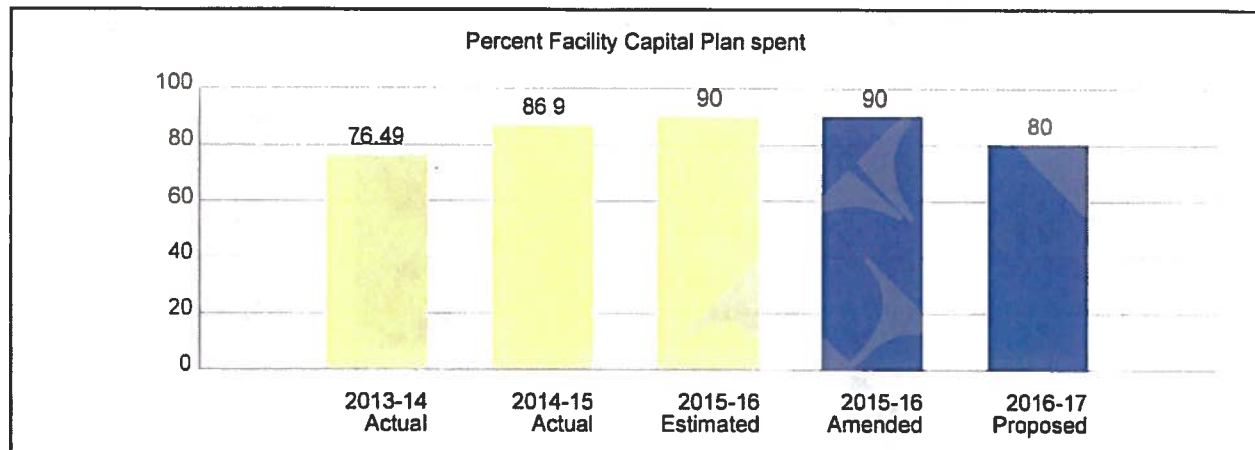
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Engineering Services

Activity: Facility Engineering

The purpose of Facility Engineering is to provide effective engineering, project delivery, technical support and SCADA services and support for AW treatment plants and related facilities, equipment and systems necessary to provide safe, reliable and high quality utility services to our customers.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	1,222,187	1,043,836	1,605,364	1,205,731
Wastewater Utility Operating Fund	1,686,342	1,277,031	1,532,756	1,377,605	1,490,947
Water Utility Operating Fund	1,838,447	1,227,739	1,336,247	935,888	1,382,195
Total Requirements	\$3,524,789	\$3,726,957	\$3,912,839	\$3,918,857	\$4,078,873
Full-Time Equivalents					
0					
Civilian	29.50	29.50	0.00	0.00	30.00
Total FTEs	29.50	29.50	0.00	0.00	30.00
Performance Measures					
Percent Facility Capital Plan spent	76.49	86.9	90	90	80
Percent SCADA Systems Equipment Availability	New Meas	New Meas	New Meas	New Meas	96

Services

Engineering and SCADA technical services for treatment plants and related facilities and systems.

Contact

Bill Stauber, Manager, 512-972-0239

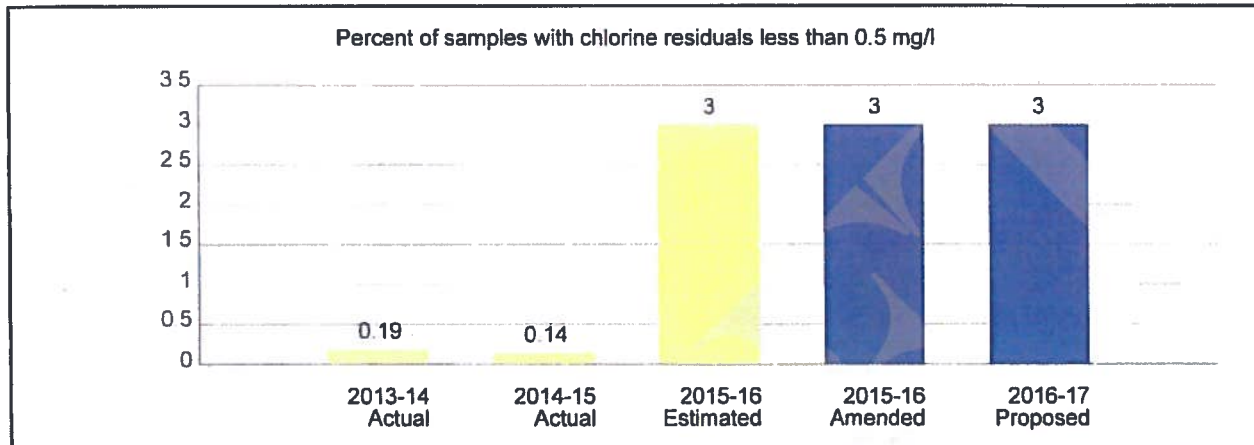
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Environmental Affairs & Conservation

Activity: Environmental and Regulatory Services

The purpose of Environmental and Regulatory Services is to track proposed and enacted statutes, rules and regulations and provide information to Utility management in order to allow the Utility to be proactive in its regulatory compliance.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Wastewater Utility Operating Fund	673,252	710,670	675,943	675,613	717,713
Water Utility Operating Fund	549,776	586,568	557,727	556,289	593,248
Total Requirements	\$1,223,028	\$1,297,238	\$1,233,670	\$1,231,902	\$1,310,961
Full-Time Equivalents					
0					
Civilian	10.00	10.00	0.00	0.00	10.00
Total FTEs	10.00	10.00	0.00	0.00	10.00
Performance Measures					
Percent of samples with chlorine residuals less than 0.5 mg/l	0.19	0.14	3	3	3
Utility-wide energy efficiency (kWh per million gallons of water, wastewater, and reclaimed water services provided)	2,278	2,325	2,301	2,352	2,278
Services					
Liaison with State and Federal regulators; State legislation monitoring; Water and wastewater treatment alternatives methods and research; Permitting and compliance reporting.					

Contact

Raj Bhattarai, Manager, 512-972-0075

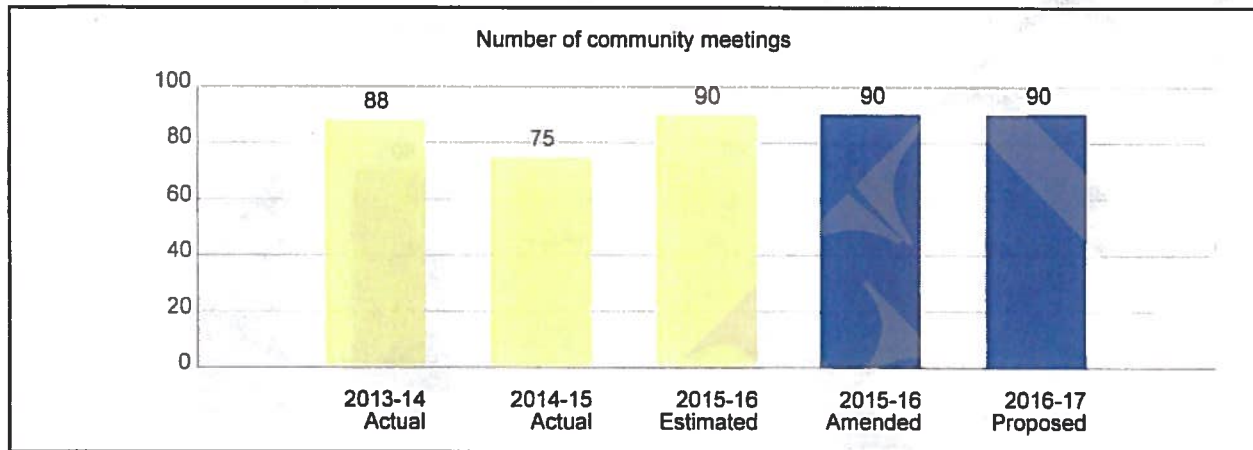
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Environmental Affairs & Conservation

Activity: Public Affairs

The purpose of Public Affairs is to provide timely, accurate, and critical information regarding Austin Water to the residents of Austin.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Wastewater Utility Operating Fund	483,438	505,552	567,164	554,015	577,108
Water Utility Operating Fund	1,831,738	1,370,894	1,409,692	1,393,835	1,418,955
Total Requirements	\$2,315,177	\$1,876,446	\$1,976,856	\$1,947,850	\$1,996,063
Full-Time Equivalents					
0					
Civilian	8.35	7.85	0.00	0.00	8.00
Total FTEs	8.35	7.85	0.00	0.00	8.00
Performance Measures					
Number of community meetings	88	75	90	90	90
Percentage of Press Coverage	100	100	100	100	100

Services

Provides information to the public regarding water conservation efforts, watering restrictions, wastewater overflows, water main breaks, boil water notices, and other marketing and advertising. Handles public engagement for CIP projects, provides education events through the Dowser Dan show to K-4 graders and to 6 and 7th graders through the Mobile Classroom in partnership with Colorado River Alliance and AISD and provide a presence at public events regarding water services.

Contact

Kevin Buchman, Manager, 512-972-0151

Bold Measure = Key Indicator

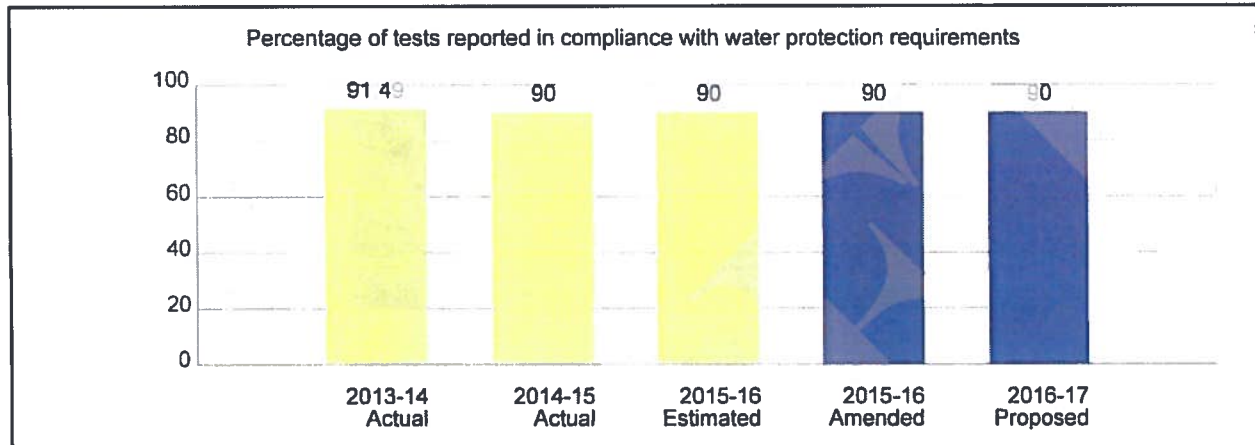
Austin Water

Budget Detail by Activity

Program: Environmental Affairs & Conservation

Activity: Special Services

The purpose of Special Services is to provide timely water quality surveys/investigations, backflow assembly testing, and private fire hydrant maintenance for customers in order to reduce the probability of a backflow incident and to control pollutant levels being discharged to the wastewater collection system so that pollutants do not affect worker health and safety, pass through or interfere with treatment plants, cause permit violations or keep biosolids from beneficial reuse.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	86	111	0	0	0
Wastewater Utility Operating Fund	1,654,036	1,685,493	1,654,711	1,653,236	1,705,530
Water Utility Operating Fund	1,162,297	1,227,716	1,239,958	1,239,834	1,285,592
Total Requirements	\$2,816,419	\$2,913,320	\$2,894,669	\$2,893,070	\$2,991,122
Full-Time Equivalents					
0					
Civilian	31.35	31.35	0.00	0.00	29.35
Total FTEs	31.35	31.35	0.00	0.00	29.35
Performance Measures					
Number of pass through and interference events caused by industrial users	0	0	0	0	0
Percentage of tests reported in compliance with water protection requirements	91.49	90	90	90	90

Services

Pretreatment and Water Protection: Administration and enforcement of the City's Pretreatment and Water Protection Programs through the regulation of industrial users, hauled waste, transporters, and other customers regulated under the water protection rules via the following: inspections, permitting, surveillance, sampling and monitoring; review of applications, self-monitoring and test reports, site plans and design plans and specifications; ensuring the timely testing and reporting of BPAs, PFHs and CCTs; and implementation of interlocal agreements with other political subdivisions.

Environmental Management: Assessments of utility environmental management practices; develop & support implementation of BMPs & SOPs; reporting and representing the utility to other regulatory agencies; provision of required training.

Contact

Antonio Canales, Manager, 512-972-1060

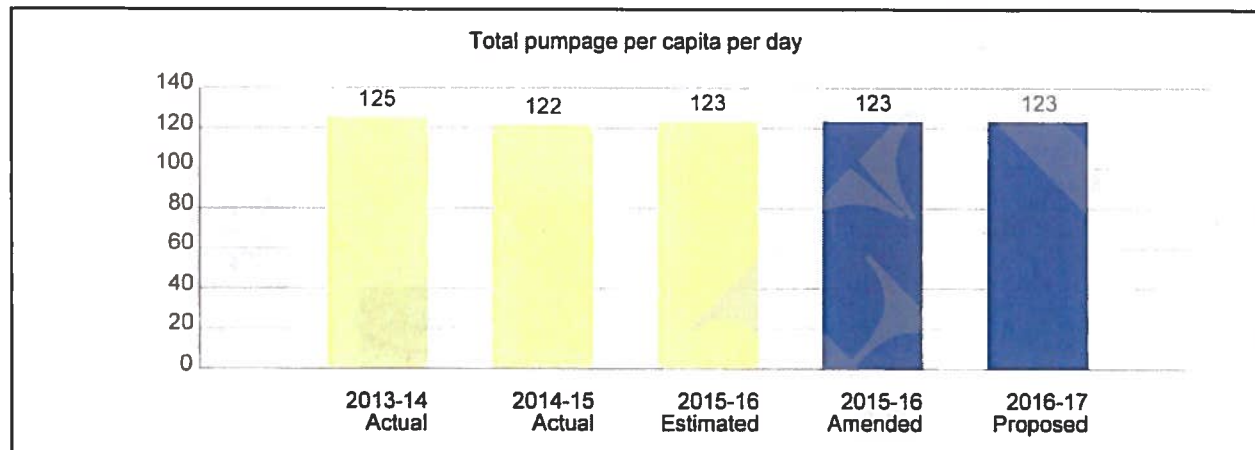
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Austin Water Budget Detail by Activity

Program: Environmental Affairs & Conservation

Activity: Water Conservation

The purpose of Water Conservation is to provide conservation services to Austin water customers to reduce water usage in order to slow the increase in peak day demand and defer the start date of water payments to the Lower Colorado River Authority. To maintain water use below 140 gallons per capita per day.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Water Utility Operating Fund	2,846,740	2,859,483	3,343,219	4,333,831	4,219,675
Total Requirements	\$2,846,740	\$2,859,483	\$3,343,219	\$4,333,831	\$4,219,675
Full-Time Equivalents					
0					
Civilian	20.00	20.00	0.00	0.00	20.00
Total FTEs	20.00	20.00	0.00	0.00	20.00
Performance Measures					
Peaking Factor (ratio of maximum daily demand to average daily demand)	1.55	1.737	1.55	1.55	1.55
Total pumpage per capita per day	125	122	123	123	123

Services

To administer and enforce water conservation ordinances, administer conservation incentive programs, promote water efficient behavior and manage Austin drought response.

Contact

Drema Gross, Manager, 512-974-2787

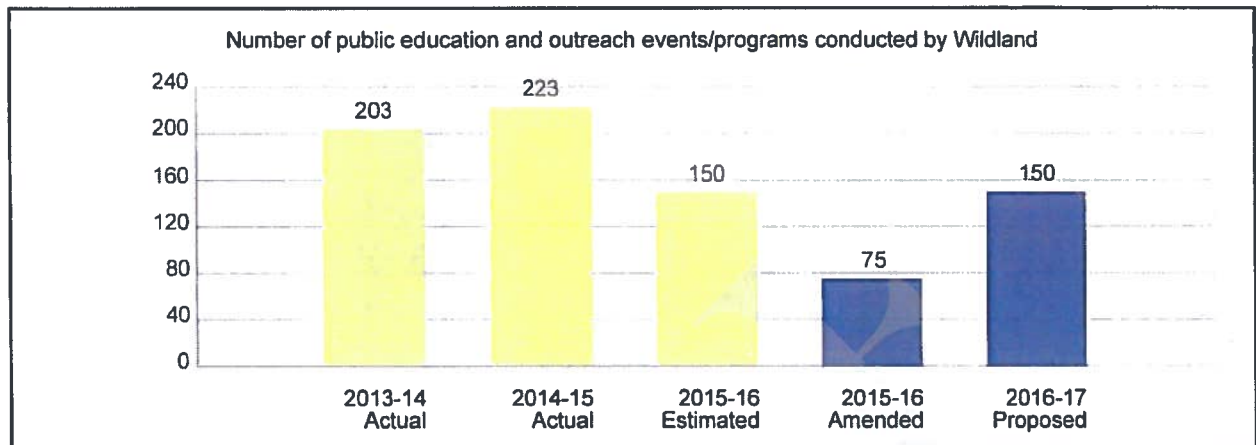
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Environmental Affairs & Conservation

Activity: Wildland Conservation

The purpose of the Wildlands Conservation Division is to provide conservation and land management services to land purchased in fee simple or conservation easement in order to protect sensitive watersheds in the recharge/contributing zones, preserve endangered species and protect source water of drinking water supplies.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	1,121,952	1,335,288	1,347,845	1,436,124
Water Utility Operating Fund	2,519,824	1,355,978	1,439,672	1,447,449	1,532,947
Total Requirements	\$2,519,824	\$2,477,930	\$2,774,960	\$2,795,294	\$2,969,071
Full-Time Equivalents					
0					
Civilian	21.00	21.00	0.00	0.00	22.00
Total FTEs	21.00	21.00	0.00	0.00	22.00
Performance Measures					
Number of acres receiving planned conservation practices or compliance monitoring	New Meas	45,343	16,000	16,000	25,000
Number of public education and outreach events/programs conducted by Wildland	203	223	150	75	150

Services

Land management; Natural Resources Conservation; Endangered Species Conservation; Source Water Protection.

Contact

Kevin Thuesen, Acting Manager, 512-972-1666

Bold Measure = Key Indicator

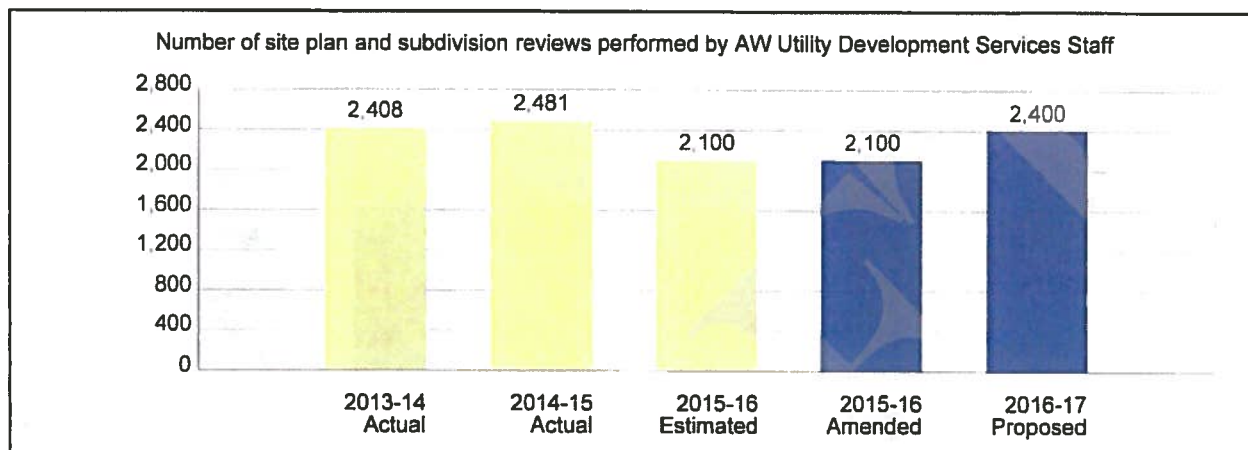
Austin Water

Budget Detail by Activity

Program: One Stop Shop

Activity: Inspection, Review, and Support

The purpose of the Inspection, Review, and Support Activity is to provide development assistance for the City-wide consolidated One Stop Shop with regard to water, wastewater, and reclaimed water utility services in order for the community to experience an efficient and effective development process.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Wastewater Utility Operating Fund	293,616	340,700	409,107	410,048	475,208
Water Utility Operating Fund	264,477	259,002	243,430	242,813	252,068
Total Requirements	\$558,093	\$599,703	\$652,537	\$652,861	\$727,276
Full-Time Equivalents					
0					
Civilian	5.95	6.95	0.00	0.00	6.95
Total FTEs	5.95	6.95	0.00	0.00	6.95
Performance Measures					
Number of customers served by AW Utility Development Services staff at Development Assistance Center	947	976	1,000	1,000	960
Number of site plan and subdivision reviews performed by AW Utility Development Services Staff	2,408	2,481	2,100	2,100	2,400

Services

Engineering and regulatory review and services pertaining to water, wastewater, and reclaimed water utility services of site and building plans, subdivisions, planned unit developments, zoning cases, development assessments, and easement releases, service verification, and tap permits.

Contact

Bart Jennings, Manager, 512-972-0118

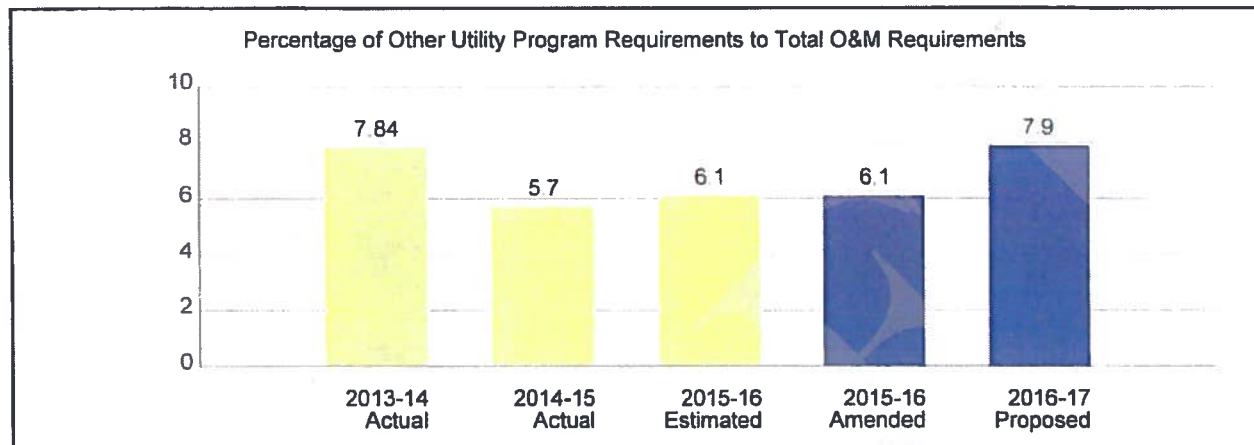
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Other Utility Program Requirements

Activity: Other Utility Program Requirements

The purpose of Other Utility Program Requirements is to account for Austin Water's department-wide expenditures such as debt interest and commission charges, general liability, and bad debt to ensure the appropriate level of financial reporting.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	108,346	36,222	0	0	0
Reclaimed Water Utility Operating Fund	23,305	27,251	21,508	21,567	23,768
Wastewater Utility Operating Fund	5,448,233	4,281,256	5,545,317	4,603,300	6,579,613
Water Utility Operating Fund	8,828,522	5,462,993	5,586,136	6,584,056	8,981,894
Total Requirements	\$14,408,407	\$9,807,723	\$11,152,961	\$11,208,923	\$15,585,275
Performance Measures					
Percent of Bad Debt Expense compared to Total Billed Revenue	1.32	0.51	0.86	0.9	0.75
Percentage of Other Utility Program Requirements to Total O&M Requirements	7.84	5.7	6.1	6.1	7.9

Services

General Interest Accruals; Administrative costs on Revenue Bonds, Water District Bonds, Commercial Paper and Arbitrage; Bad Debt; General Liability Insurance.

Contact

David Anders, Assistant Director, 512-972-0323

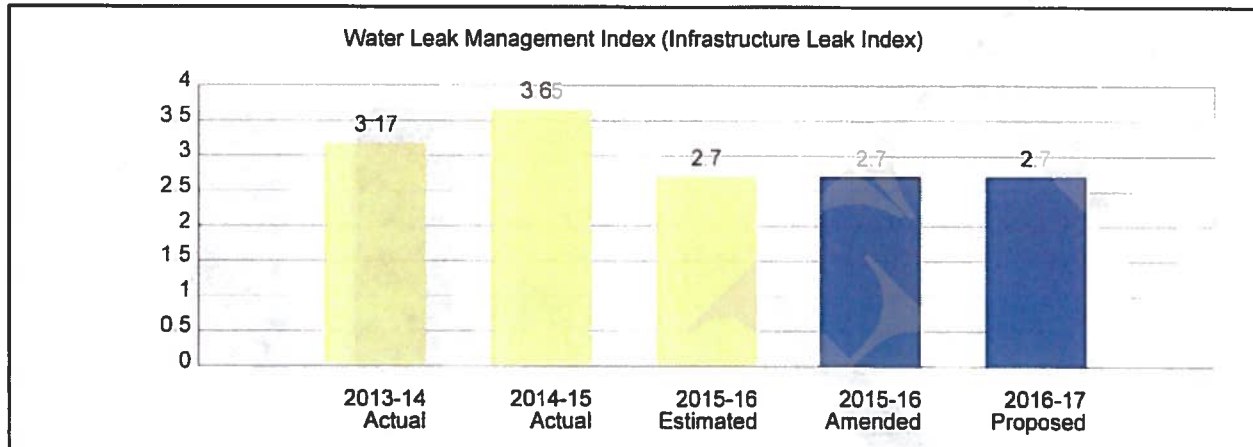
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Pipeline Operations

Activity: Pipeline O&M Support

The purpose of Pipeline O&M Support is to provide management and administrative support to the Pipeline Operations program area's internal and external customers in order to allow program areas to operate, maintain and repair infrastructure in delivery and transport of potable, reuse, and wastewater.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Wastewater Utility Operating Fund	1,371,103	1,504,691	1,670,088	1,653,601	1,784,357
Water Utility Operating Fund	1,439,983	1,513,428	1,682,802	1,670,410	1,792,417
Total Requirements	\$2,811,086	\$3,018,118	\$3,352,890	\$3,324,011	\$3,576,774
Full-Time Equivalents					
0					
Civilian	36.33	40.00	0.00	0.00	40.00
Total FTEs	36.33	40.00	0.00	0.00	40.00
Performance Measures					
Number of Service Requests initiated by AWU dispatchers from customers	14,773	15,631	14,500	14,500	15,500
Water Leak Management Index (Infrastructure Leak Index)	3.17	3.65	2.7	2.7	2.7

Services

Overall asset management, work order, leak management, safety, conservation, financial management and employee development policy for the program area; Schedules, Emergency One Calls, Right of Way Management Permits, Traffic Control, Licensing, Records Management, Organizational Charts, General Administrative Responsibilities; Customer service and dispatch of work to field crews.

Contact

Rosemary Ybarra, Manager, 512-972-1105

Bold Measure = Key Indicator

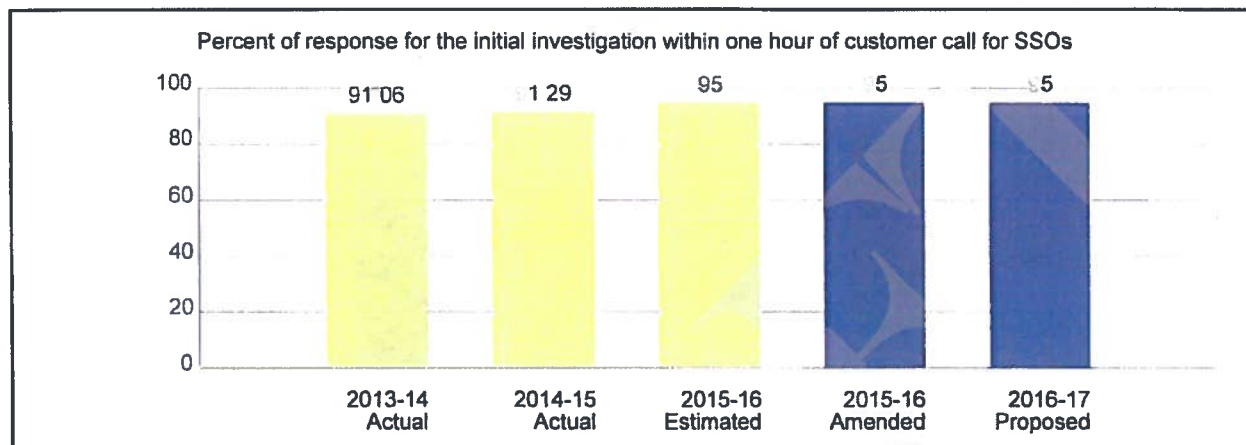
Austin Water

Budget Detail by Activity

Program: Pipeline Operations

Activity: Pipeline Wastewater Operations

The purpose of Pipeline Wastewater Operations is to provide comprehensive operation, maintenance, repair, construction and rehabilitation of the Collection System Pipeline Infrastructure in order to protect the public health, safety, and the environment.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	16,515	197,487	50,305	149,775	58,107
Wastewater Utility Operating Fund	15,297,778	15,463,636	15,946,796	15,762,019	16,989,737
Total Requirements	\$15,314,293	\$15,661,123	\$15,997,101	\$15,911,794	\$17,047,844
Full-Time Equivalents					
0					
Civilian	141.57	140.62	0.00	0.00	137.82
Total FTEs	141.57	140.62	0.00	0.00	137.82
Performance Measures					
Feet of pipe installed	19,932.4	15,806.4	15,000	15,000	15,000
Number of linear feet of wastewater main cleaned	2,527,985	2,220,003	2,020,500	2,020,500	2,020,500
Number of linear feet of wastewater main TV inspected	2,298,195	1,839,036	1,842,500	1,842,500	1,842,500
Percent of response for the initial investigation within one hour of customer call for SSOs	91.06	91.29	95	95	95

Services

TV inspection; overflow abatement; line cleaning; smoke testing and O & M of collection system flow meters; emergency response and repair to Sanitary Sewer Overflow (SSO); Special Billed SSO (caused by contractors) and AWJ special bills to contractors for related costs; manhole inspection; study inflow and infiltration of collection systems, and construction and rehabilitation services.

Contact

Mercedes Garcia-Lopez, Operations Manager, 512-972-0892

Bold Measure = Key Indicator

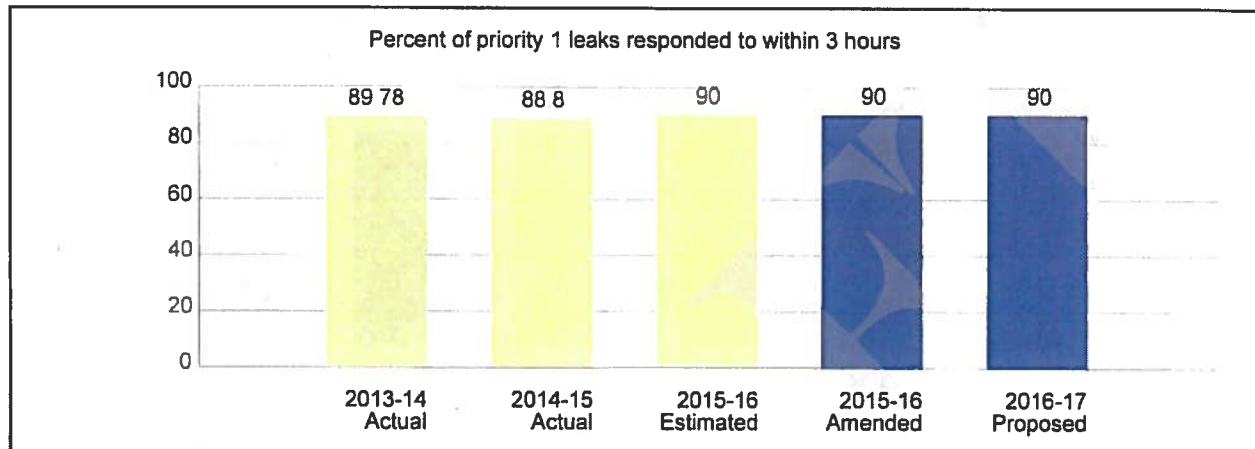
Austin Water

Budget Detail by Activity

Program: Pipeline Operations

Activity: Pipeline Water Operations

The purpose of Pipeline Water Operations is to provide maintenance and repair services to the water distribution pipeline infrastructure systems in order to continuously deliver water from the treatment facilities to the end user. To install, repair and replace valves and fire hydrants within the distribution system in order to supply water for fire hydrants and customers. To provide meter testing to metered customers in order to ensure accurate registration of water usage.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	5,826	992,252	1,444,509	1,043,453	1,667,954
Water Utility Operating Fund	22,572,360	21,642,018	22,116,019	22,134,095	24,187,235
Total Requirements	\$22,578,187	\$22,634,271	\$23,560,528	\$23,177,548	\$25,855,189
Full-Time Equivalents					
0					
Civilian	170.10	168.38	0.00	0.00	171.18
Total FTEs	170.10	168.38	0.00	0.00	171.18
Performance Measures					
Number of water leaks repaired	7,003	5,848	6,000	6,000	6,000
Percent of Fire Hydrants back in service less or equal to 14 days	80	93.48	90	90	90
Percent of valves exercised within last five years	36	38	50	50	50
Percentage of meters 3" or larger that were tested and verified for accuracy within the last 12 months	66	77	90	90	90
Percent of priority 1 leaks responded to within 3 hours	89.78	88.8	90	90	90

Services

Operate, maintain and repair water distribution pipeline system; Install, operate, repair and replace water valves and fire hydrants; Repair, exchange and perform accuracy tests of meters; Perform leak detection surveys and related tasks and repairs.

Contact

Daniel Layton, Operations Manager, 512-972-1034

Bold Measure = Key Indicator

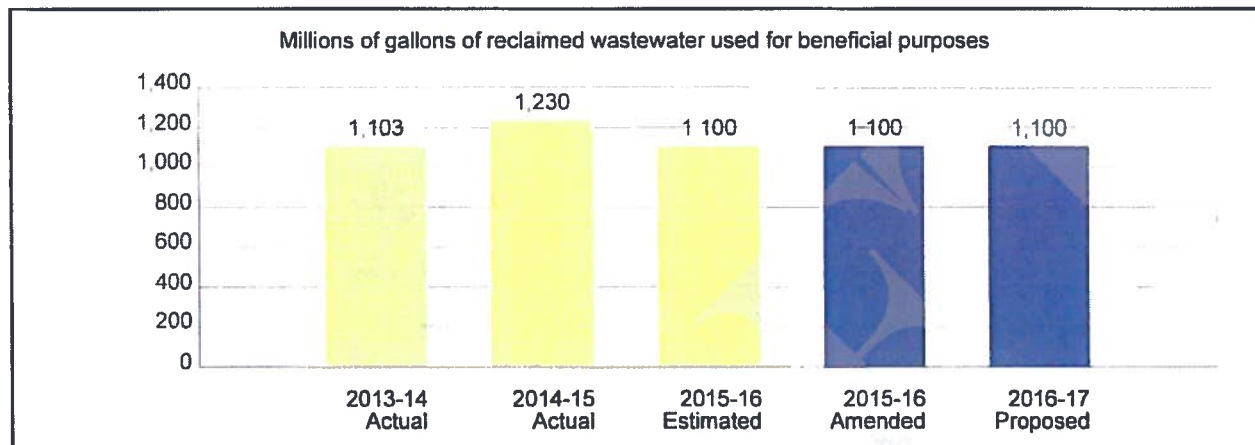
Austin Water

Budget Detail by Activity

Program: Reclaimed Water Services

Activity: Reclaimed Water Services Support

The purpose of Reclaimed Water Services Support is to provide engineering, management, administrative, regulatory and technical support in order to increase reclaimed water use so that the Utility can more effectively manage water resources for the community in order to protect public health and the environment.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	1,278	2,004	2,004	2,004
Reclaimed Water Utility Operating Fund	314,442	339,436	375,185	388,355	418,361
Total Requirements	\$314,442	\$340,713	\$377,189	\$390,359	\$420,365
Full-Time Equivalents					
0					
Civilian	3.00	3.00	0.00	0.00	3.00
Total FTEs	3.00	3.00	0.00	0.00	3.00
Performance Measures					
Millions of gallons of reclaimed wastewater used for beneficial purposes	1,103	1,230.18	1,100	1,100	1,100
Reclaimed Water Revenue	819,965	943,855.1	1,654,073	1,770,107	2,355,153

Services

Respond to inquiries from existing and potential customers, City departments, and Boards and Commissions; Report spills; Oversee the implementation of the master plan; Hire design engineers and consultants using requests for qualifications and rotation lists; Supervise and interact with design engineers and consultants on the preparation of construction documents; Supervise and interact with design engineers, contractors, inspectors, and property owners on project construction; Develop and monitor project budgets and schedules; Provide engineering information and technical advice to support the water conservation division.

Contact

Dan Pedersen, Manager, 512-972-0074

Bold Measure = Key Indicator

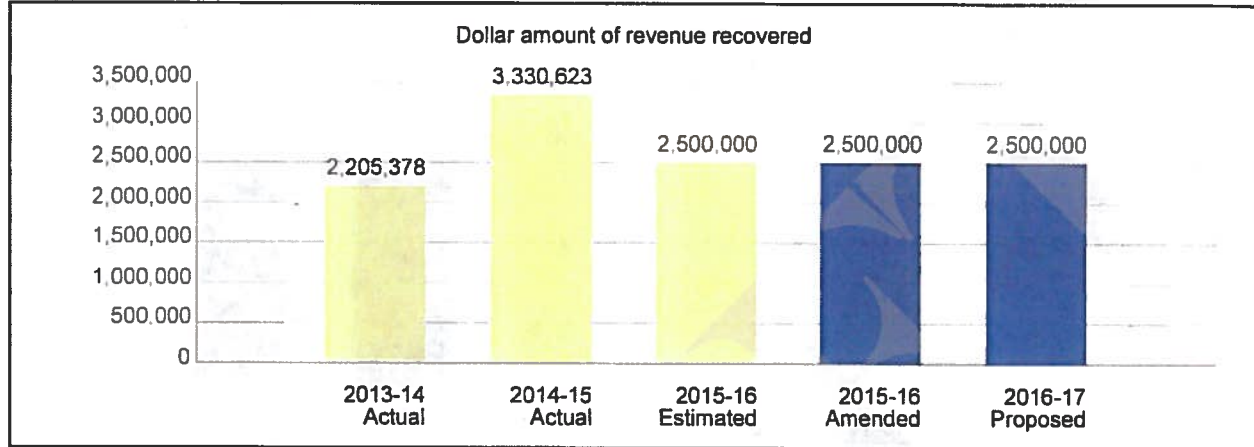
Austin Water

Budget Detail by Activity

Program: Support Services

Activity: Departmental Support Services

The purpose of Departmental Support Services is to provide administrative and managerial support to the department in order to produce more effective services.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	354,215	427,806	298,511	298,511	300,000
Wastewater Utility Operating Fund	10,730,697	10,871,915	11,690,545	11,298,993	12,898,565
Water Utility Operating Fund	11,499,852	10,955,674	11,814,012	11,450,765	13,061,183
Total Requirements	\$22,584,764	\$22,255,394	\$23,803,068	\$23,048,269	\$26,259,748
Full-Time Equivalents					
0					
Civilian	174.70	173.20	0.00	0.00	178.70
Total FTEs	174.70	173.20	0.00	0.00	178.70
Performance Measures					
Customer Service Complaint Rate	0.053	0.044	0.08	0.08	0.08
Dollar amount of revenue recovered	2,205,378	3,330,623	2,500,000	2,500,000	2,500,000
Employee Turnover Rate	9.52	8.81	9	9	8.5
Lost Time Injury Rate Per the Equivalent of 100 Employees	2.53	3.5	2.7	2.7	2.7
Percent of actual O&M spending to budget	94.8	98.03	98	98	98
Percent of Average Annual Residential Bill to Median Household Income	1.29	1.2	1.2	1.2	1.2
Percent of premium time to total personnel costs	5.6	5.07	6	6	6
Sick leave hours used per 1,000 hours	31.27	33.22	32	32	32
Credit rating for separate-lien water utility revenue bonds	AA	AA	AA	AA	AA

Services

Support services encompasses all operational and maintenance units associated with administrative and managerial support to Austin Water, including human resources services, internal audit, office of the director, financial management, facility management, budget and accounting, information technology, security management, safety and technical training, and consumer services.

Contact

David Anders, Assistant Director, 512-972-0323

Bold Measure = Key Indicator

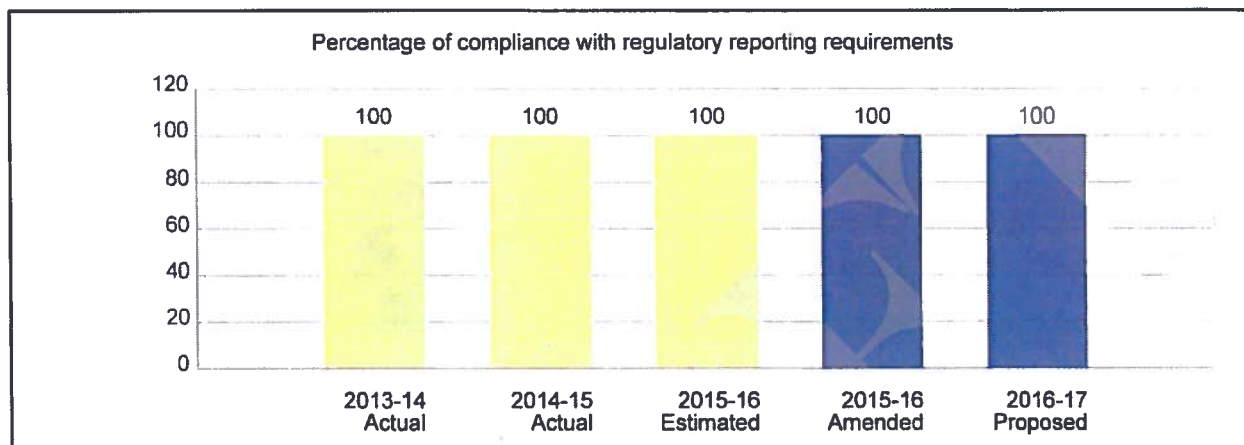
Austin Water

Budget Detail by Activity

Program: Treatment

Activity: Process Engineering

The purpose of Process Engineering is to provide support to the water, wastewater and biosolids treatment facilities by optimizing process control, troubleshooting problems, advising on design and construction of projects, and assisting in keeping the plants in regulatory compliance.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	58,360	26,499	99,410	30,609
Wastewater Utility Operating Fund	633,718	501,942	454,198	479,367	506,831
Water Utility Operating Fund	452,313	411,850	441,997	343,412	462,886
Total Requirements	\$1,086,031	\$972,152	\$922,694	\$922,189	\$1,000,326
Full-Time Equivalents					
0					
Civilian	7.00	7.00	0.00	0.00	7.00
Total FTEs	7.00	7.00	0.00	0.00	7.00
Performance Measures					
Percent digester effluent biosolids reused as compost, land applied or given as Class A biosolid	162	136.6	80	80	80
Percentage of compliance with regulatory reporting requirements	100	100	100	100	100

Services

Management of the beneficial reuse of the wastewater biosolids, assist in Utility efforts to identify and secure future water resources, treatment process consulting for the water and wastewater plants and compose and submit regulatory reports to the state and national governing agencies.

Contact

Judy Musgrove, Manager, 512-972-0157

Bold Measure = Key Indicator

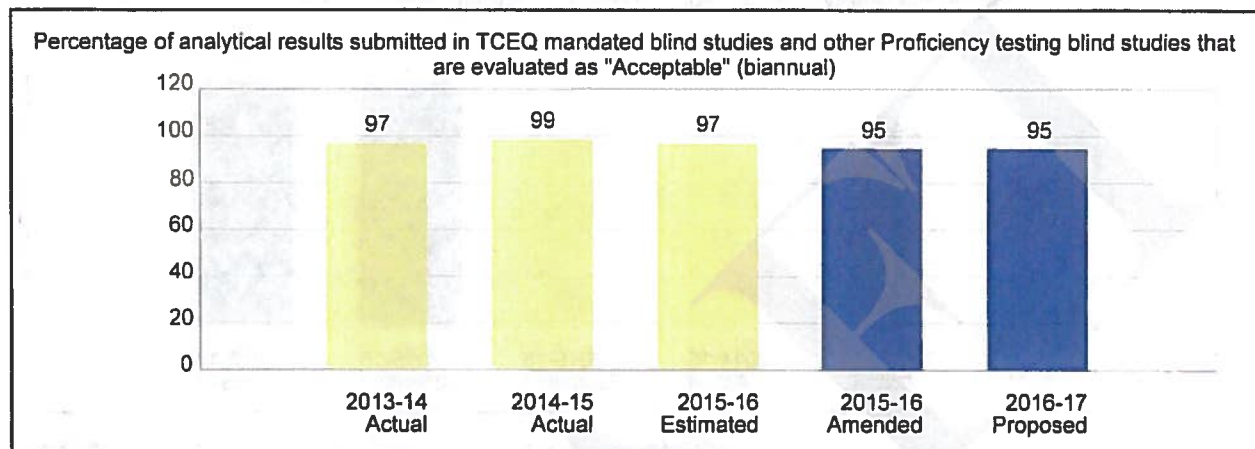
Austin Water

Budget Detail by Activity

Program: Treatment

Activity: Treatment O&M Support

The purpose of Treatment O&M Support is to provide the support services to assist the treatment plants in order to provide safe, reliable, high quality, sustainable, and affordable water services to our customers so that all community needs for water are met.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	325,964	318,870	200,593	312,082	202,761
Wastewater Utility Operating Fund	5,953,097	6,520,668	7,244,778	7,223,718	7,523,198
Water Utility Operating Fund	4,765,480	5,127,617	6,216,590	6,200,424	6,478,185
Total Requirements	\$11,044,541	\$11,967,156	\$13,661,961	\$13,736,224	\$14,204,144
Full-Time Equivalents					
0					
Civilian	106.00	108.00	0.00	0.00	109.00
Total FTEs	106.00	108.00	0.00	0.00	109.00
Performance Measures					
Number of I&C and electrical work orders that are in open, scheduled, waiting scheduling status at start of each month	493	351	387	430	400
Percent (%) Lab. Analyses Reported within Customer Requested Turnaround Time (TAT)	98.3	98.7	97	95	95
Percent of equipment calibration and preventive maintenance work orders completed to total scheduled	60	63.05	76.1	80	80
Percentage of analytical results submitted in TCEQ mandated blind studies and other Proficiency testing blind studies that are evaluated as "Acceptable" (biannual)	97	99	97	95	95

Services

Manage regulatory and internal reports to ensure regulations are met and support services for the Treatment Programs

Contact

Jane Burazer, Assistant Director, 512-972-0133

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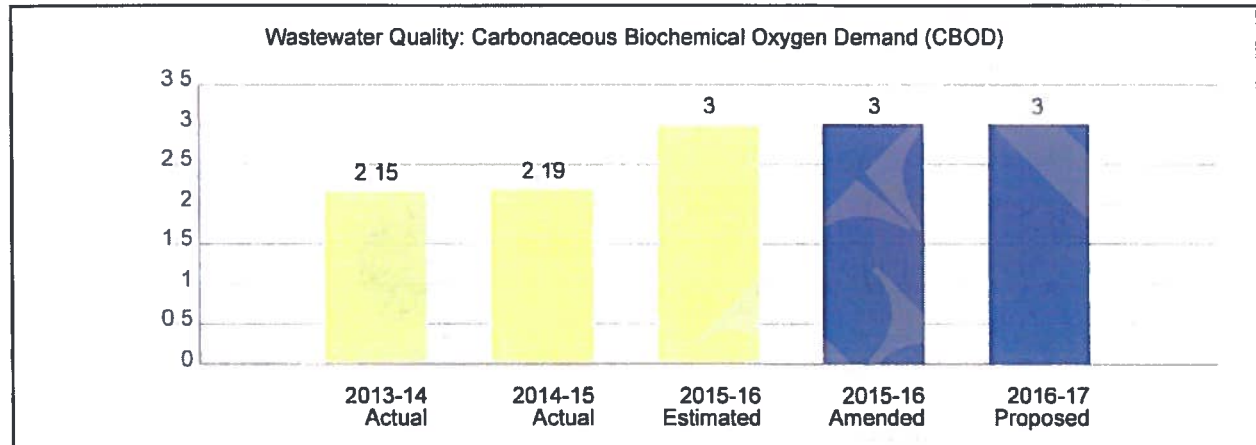
Austin Water

Budget Detail by Activity

Program: Treatment

Activity: Wastewater Operations

The purpose of Wastewater Operations is to provide the treatment for wastewater to produce effluent in order to protect the public's health, safety and the environment.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	405	0	0	0	0
Wastewater Utility Operating Fund	31,569,064	29,308,782	32,387,351	31,897,130	31,735,709
Total Requirements	\$31,569,469	\$29,308,782	\$32,387,351	\$31,897,130	\$31,735,709
Full-Time Equivalents					
0					
Civilian	145.50	144.50	0.00	0.00	144.50
Total FTEs	145.50	144.50	0.00	0.00	144.50
Performance Measures					
kWh per million gallons of wastewater treated	1,719	1,757.2	1,750	1,750	1,750
Wastewater Quality: Ammonia	0.42	0.39	0.5	0.5	0.5
Wastewater Quality: Carbonaceous Biochemical Oxygen Demand (CBOD)	2.15	2.19	3	3	3

Services

Wastewater treatment, reuse, and discharge for the protection of water of the state in accordance with the Clean Water Act requirement

Contact

Ayman Benyamin, Manager, AWU Operations 512-972-2040

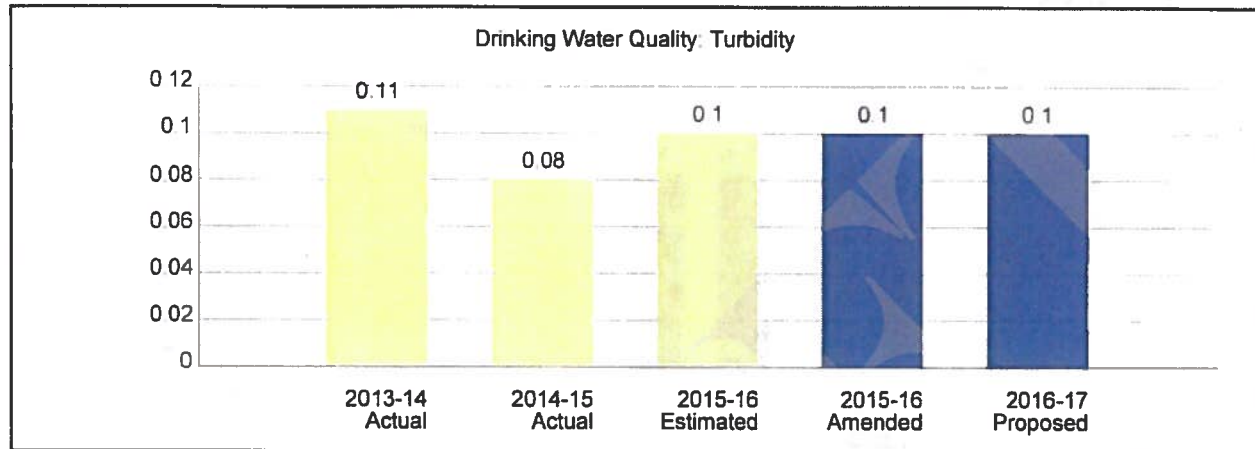
Bold Measure = Key Indicator

Austin Water Budget Detail by Activity

Program: Treatment

Activity: Water Operations

The purpose of Water Operations is to provide an adequate and safe supply of drinking water to Utility customers in order to meet demand, fire suppression, and other community needs.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	40,330	34,201	34,162	32,637	53,085
Water Utility Operating Fund	31,073,023	30,101,365	31,891,380	31,718,040	31,218,839
Total Requirements	\$31,113,352	\$30,135,566	\$31,925,542	\$31,750,677	\$31,271,924
Full-Time Equivalents					
0					
Civilian	136.00	136.00	0.00	0.00	138.00
Total FTEs	136.00	136.00	0.00	0.00	138.00
Performance Measures					
kWh per million gallons of water treated and distributed	1,810	2,467	2,500	2,500	2,500
Drinking Water Quality: Turbidity	0.11	0.08	0.1	0.1	0.1

Services

Water treatment; Sludge disposal; Process control; Regulatory documentation

Contact

Mehrdad Morabbi, Manager, AWU Operations 512-972-0159

Bold Measure = Key Indicator

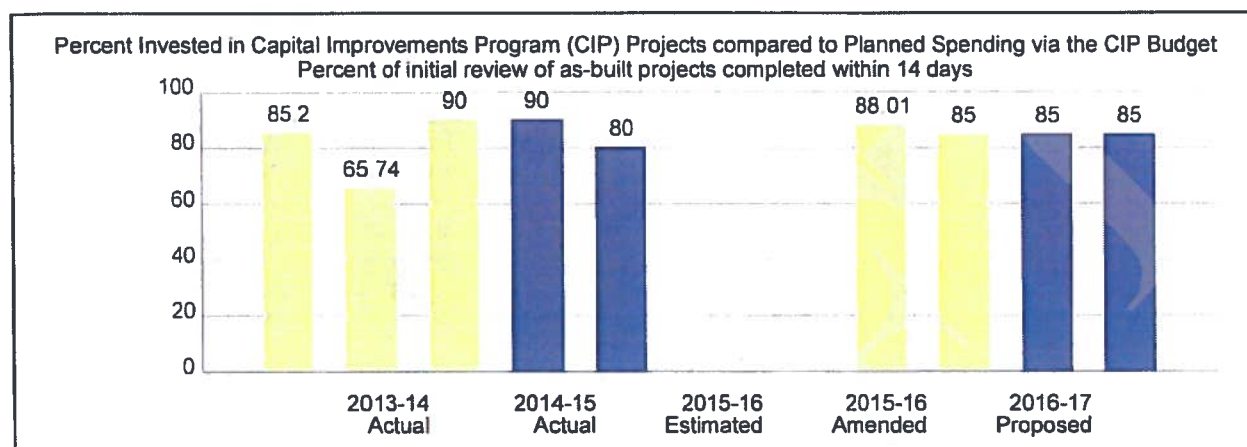
Austin Water

Budget Detail by Activity

Program: Water Resources Management

Activity: Infrastructure Management

The purpose of the Infrastructure Management activity is to provide management of Austin Water's Capital Improvement Program (CIP), assets, and infrastructure records so that the department can provide ongoing customer service and meet its mission and goals.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	0	14,739	0	17,024
Wastewater Utility Operating Fund	556,337	474,301	1,102,935	1,159,031	1,044,526
Water Utility Operating Fund	503,384	460,427	1,116,033	1,161,995	1,056,755
Total Requirements	\$1,059,721	\$934,727	\$2,233,707	\$2,321,026	\$2,118,305
Full-Time Equivalents					
0					
Civilian	8.00	8.00	0.00	0.00	17.00
Total FTEs	8.00	8.00	0.00	0.00	17.00

Performance Measures

Percent of initial review of as-built projects completed within 14 days	New Meas	88.01	85	85	85
Percentage of CIP projects in the AW GIS available for project coordination and spatial analysis	98.81	97.01	95	95	95
Percent Invested in Capital Improvements Program (CIP) Projects compared to Planned Spending via the CIP Budget	85.2	65.74	90	90	80

Services

Asset management, CIP management and development; CIP coordination with other City of Austin departments and external entities; CIP Project Action Review (CIPPAR); infrastructure, property and easement records management; water and wastewater impact fee management.

Contact

Brian L. Long, P.E., Managing Engineer, 512-972-0177

Bold Measure = Key Indicator

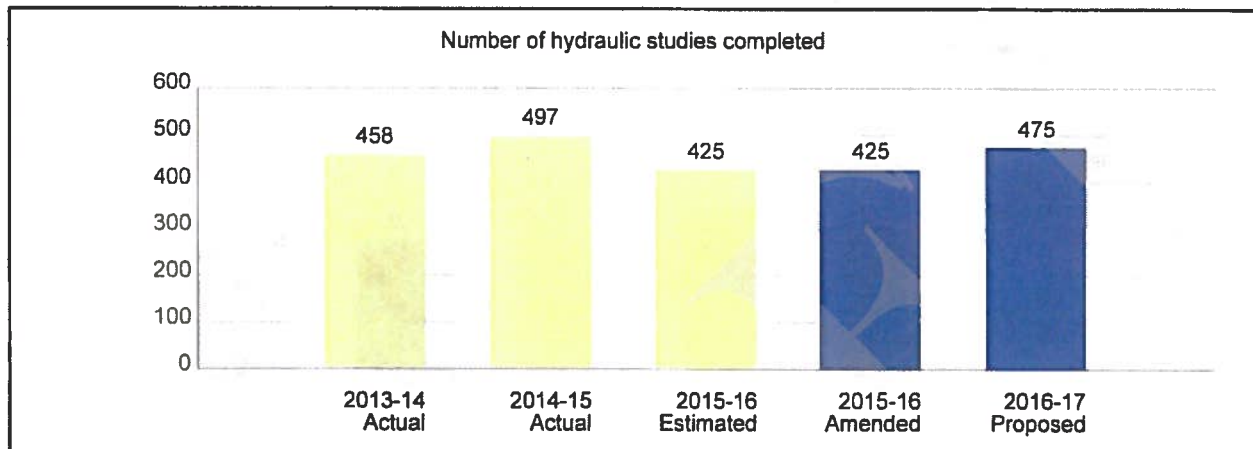
Austin Water

Budget Detail by Activity

Program: Water Resources Management

Activity: Systems Planning

The purpose of Systems Planning is to provide analysis of the wastewater collection and water distribution systems for Utility management in order to insure adequate infrastructure capacities are available and to identify areas for system improvement. Division also conducts water supply planning and analysis and integrated water resource planning functions.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Wastewater Utility Operating Fund	783,919	884,198	869,774	857,678	935,147
Water Utility Operating Fund	1,216,842	1,242,389	1,303,405	1,296,761	1,248,598
Total Requirements	\$2,000,761	\$2,126,587	\$2,173,179	\$2,154,439	\$2,183,745
Full-Time Equivalents					
0					
Civilian	18.00	18.00	0.00	0.00	16.00
Total FTEs	18.00	18.00	0.00	0.00	16.00
Performance Measures					
Number of hydraulic studies completed	458	497	425	425	475
Peak day water usage as a percentage of water treatment system capacity	61	59	80	80	80

Services

System and water supply planning; Hydraulic analysis and system modeling, identification of system deficiencies; system troubleshooting; proposals for new facilities; long range infrastructure and facility plans and area studies; system projects coordination for CIP and operations, strategies for water and wastewater system operation; land use assumptions for state impact fee requirements; forecasts of demand by small areas and system-wide; LCRA coordination, drought response planning, and integrated water resource planning.

Contact

Teresa Lutes, P.E., Managing Engineer, 512-972-0179

Bold Measure = Key Indicator

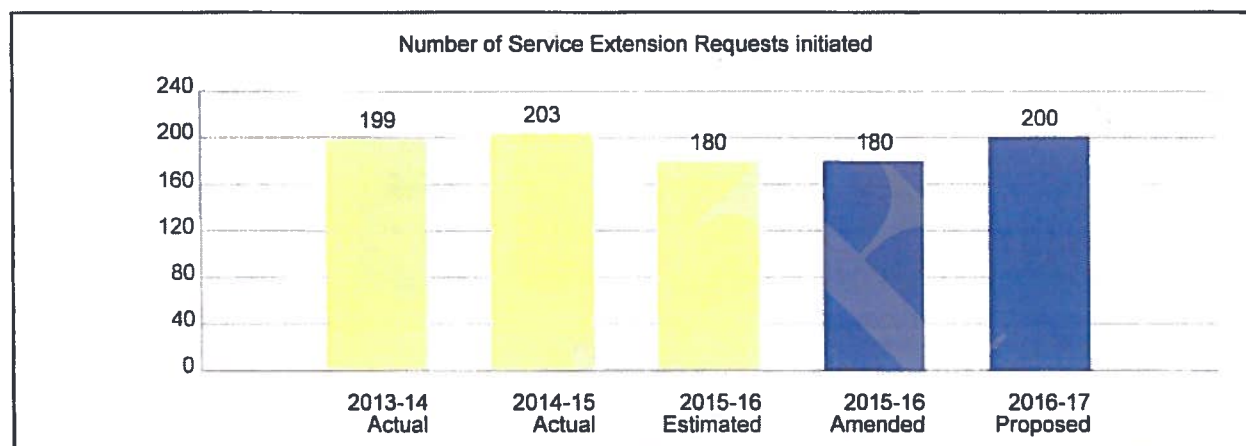
Austin Water

Budget Detail by Activity

Program: Water Resources Management

Activity: Utility Development Services

The purpose of the Utility Development Services Division is to: 1) review engineering plans, tap plans, and service extensions requested from developers and landowners in order to assist them in obtaining water, wastewater and reclaimed water utility services for existing and future development while meeting Austin City Code and Texas Commission on Environmental Quality rules and regulations; 2) regulate on-site sewage facilities and private wastewater laterals in order to protect the public's health and safety; and 3) perform contract negotiations and customer management services for Austin Water in order to assist developers, other municipalities, districts, corporations, and other entities with the provision of contracted City water and wastewater services.



	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Expense Refunds	0	0	7,652	0	8,765
Wastewater Utility Operating Fund	1,210,042	1,094,777	1,805,412	1,897,356	2,598,294
Water Utility Operating Fund	448,964	478,530	1,062,610	1,129,538	1,740,779
Total Requirements	\$1,659,005	\$1,573,307	\$2,875,674	\$3,026,894	\$4,347,838
Full-Time Equivalents					
0					
Civilian	15.00	16.00	0.00	0.00	28.00
Total FTEs	15.00	16.00	0.00	0.00	28.00
Performance Measures					
Number of design plans reviewed for new or modified on-site sewage facilities	31	42	49	49	50
Number of on-site sewage facility inspections and investigations conducted	284	257	280	280	280
Number of Service Extension Requests initiated	199	203	180	180	200
Number of tap plan reviews and pipeline construction plan reviews	1,739	2,387	No Data	No Goal	2,000

Services

Engineering review for site plans, subdivisions, planned unit developments, zoning cases, development assessments, construction plans, tap plans, and easement releases. Engineering review of applications for service extensions requests and on-site sewage facilities; Engineering review for alternative wastewater collection systems; Enforcement of the private wastewater lateral ordinance; Enforcement of the on-site sewage facilities ordinance; and Wholesale and large volume contract and customer relationship management.

Contact

Bart Jennings, Manager, 512-972-0118

Bold Measure = Key Indicator

Austin Water

Budget Detail by Activity

Program: Transfers and Other Requirements

Activity: All Activities

The purpose of the Transfers and Other Requirements program is to account for transfers and other departmental requirements at the fund or agency level.

Graph Not Applicable

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Reclaimed Water Utility Operating Fund	4,820,751	3,937,949	4,567,693	4,845,796	4,391,213
Wastewater Utility Operating Fund	160,561,985	153,034,718	159,174,851	159,555,495	168,728,757
Water Utility Operating Fund	166,050,122	175,773,157	189,462,916	189,309,562	202,190,052
Total Requirements	\$331,432,858	\$332,745,825	\$353,205,460	\$353,710,853	\$375,310,022

Services

Accrued payroll; Utility billing system support; 311 Call Center support; Bad debt expenses; Depreciation; Debt service requirements for revenue bonds, General Obligation debt and commercial paper, General Fund transfer; Transfers to Capital Improvement Program and AW Reserves; Citywide administrative and information technology support; Workers' compensation; Liability reserve; Economic Development support.

Contact

David Anders, Assistant Director, 512-972-0323

Austin Water: 2016-17

<i>Wastewater Utility Operating Fund</i>	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Engineering Services	\$7,172,121	\$6,580,926	\$6,017,179	\$5,850,767	\$6,971,370
Collection System Engineering	4,267,585	3,853,963	4,057,375	4,045,499	5,047,996
Distribution System Engineering	1,218,194	1,449,932	427,048	427,663	432,427
Facility Engineering	1,686,342	1,277,031	1,532,756	1,377,605	1,490,947
Environmental Affairs & Conservation	\$2,810,726	\$2,901,716	\$2,897,818	\$2,882,864	\$3,000,351
Environmental and Regulatory Services	673,252	710,670	675,943	675,613	717,713
Public Affairs	483,438	505,552	567,164	554,015	577,108
Special Services	1,654,036	1,685,493	1,654,711	1,653,236	1,705,530
One Stop Shop	\$293,616	\$340,700	\$409,107	\$410,048	\$475,208
Inspection, Review, and Support	293,616	340,700	409,107	410,048	475,208
Other Utility Program Requirements	\$5,448,233	\$4,281,256	\$5,545,317	\$4,603,300	\$6,579,613
Other Utility Program Requirements	5,448,233	4,281,256	5,545,317	4,603,300	6,579,613
Pipeline Operations	\$16,668,881	\$16,968,327	\$17,616,884	\$17,415,620	\$18,774,094
Pipeline O&M Support	1,371,103	1,504,691	1,670,088	1,653,601	1,784,357
Pipeline Wastewater Operations	15,297,778	15,463,636	15,946,796	15,762,019	16,989,737
Support Services	\$10,730,697	\$10,871,915	\$11,690,545	\$11,298,993	\$12,898,565
Departmental Support Services	10,730,697	10,871,915	11,690,545	11,298,993	12,898,565
Transfers and Other Requirements	\$160,561,985	\$153,034,718	\$159,174,851	\$159,555,495	\$168,728,757
Debt Transfers	100,199,534	98,915,162	93,256,275	93,650,448	93,805,347
Interfund Transfers	56,061,497	49,749,542	60,516,796	60,516,796	66,586,287
Other Requirements	4,300,954	4,370,014	5,401,780	5,388,251	8,337,123
Treatment	\$38,155,878	\$36,331,392	\$40,086,327	\$39,600,215	\$39,765,738
Process Engineering	633,718	501,942	454,198	479,367	506,831
Treatment O&M Support	5,953,097	6,520,668	7,244,778	7,223,718	7,523,198
Wastewater Operations	31,569,064	29,308,782	32,387,351	31,897,130	31,735,709
Water Resources Management	\$2,550,297	\$2,453,276	\$3,778,121	\$3,914,065	\$4,577,967
Infrastructure Management	556,337	474,301	1,102,935	1,159,031	1,044,526
Systems Planning	783,919	884,198	869,774	857,678	935,147
Utility Development Services	1,210,042	1,094,777	1,805,412	1,897,356	2,598,294
Total	\$244,392,435	\$233,764,227	\$247,216,149	\$245,531,367	\$261,771,663

Austin Water: 2016-17

<i>Reclaimed Water Utility Operating Fund</i>	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Other Utility Program Requirements	\$23,305	\$27,251	\$21,508	\$21,567	\$23,768
Other Utility Program Requirements	23,305	27,251	21,508	21,567	23,768
Reclaimed Water Services	\$314,442	\$339,436	\$375,185	\$388,355	\$418,361
Reclaimed Water Services Support	314,442	339,436	375,185	388,355	418,361
Transfers and Other Requirements	\$4,820,751	\$3,937,949	\$4,567,693	\$4,845,796	\$4,391,213
Debt Transfers	3,875,041	2,569,189	2,482,541	2,762,095	2,205,025
Interfund Transfers	944,535	1,369,305	2,079,388	2,079,388	2,170,853
Other Requirements	1,175	(545)	5,764	4,313	15,325
Total	\$5,158,498	\$4,304,636	\$4,964,386	\$5,255,718	\$4,833,342

Austin Water: 2016-17

Water Utility Operating Fund

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Engineering Services	\$6,273,385	\$5,097,166	\$4,084,972	\$3,508,770	\$4,931,653
Collection System Engineering	683,690	290,238	313,705	179,826	241,230
Distribution System Engineering	3,751,248	3,579,190	2,435,020	2,393,056	3,308,228
Facility Engineering	1,838,447	1,227,739	1,336,247	935,888	1,382,195
Environmental Affairs & Conservation	\$8,910,376	\$7,400,639	\$7,990,268	\$8,971,238	\$9,050,417
Environmental and Regulatory Services	549,776	586,568	557,727	556,289	593,248
Public Affairs	1,831,738	1,370,894	1,409,692	1,393,835	1,418,955
Special Services	1,162,297	1,227,716	1,238,958	1,239,834	1,285,592
Water Conservation	2,846,740	2,859,483	3,343,219	4,333,831	4,219,675
Wildland Conservation	2,519,824	1,355,978	1,439,672	1,447,449	1,532,947
One Stop Shop	\$264,477	\$259,002	\$243,430	\$242,813	\$252,068
Inspection, Review, and Support	264,477	259,002	243,430	242,813	252,068
Other Utility Program Requirements	\$8,828,522	\$5,462,993	\$5,586,136	\$6,584,056	\$8,981,894
Other Utility Program Requirements	8,828,522	5,462,993	5,586,136	6,584,056	8,981,894
Pipeline Operations	\$24,012,343	\$23,155,446	\$23,798,821	\$23,804,505	\$25,979,652
Pipeline O&M Support	1,439,983	1,513,428	1,682,802	1,670,410	1,792,417
Pipeline Water Operations	22,572,360	21,642,018	22,116,019	22,134,095	24,187,235
Support Services	\$11,499,852	\$10,955,674	\$11,814,012	\$11,450,765	\$13,061,183
Departmental Support Services	11,499,852	10,955,674	11,814,012	11,450,765	13,061,183
Transfers and Other Requirements	\$166,050,122	\$175,773,157	\$189,462,916	\$189,309,562	\$202,190,052
Debt Transfers	108,406,606	112,488,809	103,451,352	103,466,252	109,112,808
Interfund Transfers	44,483,301	51,393,222	71,962,676	71,798,441	79,172,748
Other Requirements	13,160,215	11,891,126	14,048,888	14,044,869	13,904,496
Treatment	\$36,290,816	\$35,640,832	\$38,549,967	\$38,261,876	\$38,159,910
Process Engineering	452,313	411,850	441,997	343,412	462,886
Treatment O&M Support	4,765,480	5,127,617	6,216,590	6,200,424	6,478,185
Water Operations	31,073,023	30,101,365	31,891,380	31,718,040	31,218,839
Water Resources Management	\$2,169,190	\$2,181,345	\$3,482,048	\$3,588,294	\$4,046,132
Infrastructure Management	503,384	460,427	1,116,033	1,161,995	1,056,755
Systems Planning	1,216,842	1,242,389	1,303,405	1,296,761	1,248,598
Utility Development Services	448,964	478,530	1,062,610	1,129,538	1,740,779
Total	\$264,299,084	\$265,926,255	\$285,012,570	\$285,721,879	\$306,652,961

Austin Water: 2016-17

<i>Expense Refunds</i>	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Requirements					
Engineering Services	\$0	\$2,069,448	\$1,922,105	\$2,593,869	\$2,221,373
Collection System Engineering	0	816,037	841,187	956,667	971,653
Distribution System Engineering	0	31,224	37,082	31,838	43,989
Facility Engineering	0	1,222,187	1,043,836	1,605,364	1,205,731
Environmental Affairs & Conservation	\$86	\$1,122,063	\$1,335,288	\$1,347,845	\$1,436,124
Special Services	86	111	0	0	0
Wildland Conservation	0	1,121,952	1,335,288	1,347,845	1,436,124
Other Utility Program Requirements	\$108,346	\$36,222	\$0	\$0	\$0
Other Utility Program Requirements	108,346	36,222	0	0	0
Pipeline Operations	\$22,341	\$1,189,739	\$1,494,814	\$1,193,228	\$1,726,061
Pipeline Wastewater Operations	16,515	197,487	50,305	149,775	58,107
Pipeline Water Operations	5,826	992,252	1,444,509	1,043,453	1,667,954
Reclaimed Water Services	\$0	\$1,278	\$2,004	\$2,004	\$2,004
Reclaimed Water Services Support	0	1,278	2,004	2,004	2,004
Support Services	\$354,215	\$427,806	\$298,511	\$298,511	\$300,000
Departmental Support Services	354,215	427,806	298,511	298,511	300,000
Treatment	\$366,698	\$411,431	\$261,254	\$444,129	\$286,455
Process Engineering	0	58,360	26,499	99,410	30,609
Treatment O&M Support	325,964	318,870	200,593	312,082	202,761
Wastewater Operations	405	0	0	0	0
Water Operations	40,330	34,201	34,162	32,637	53,085
Water Resources Management	\$0	\$0	\$22,391	\$0	\$25,789
Infrastructure Management	0	0	14,739	0	17,024
Utility Development Services	0	0	7,652	0	8,765
Total	\$851,687	\$5,267,987	\$5,336,367	\$5,879,586	\$5,997,806

Austin Water: 2016-17

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Full-Time Equivalents (FTEs)					
Engineering Services	63.50	63.50	0.00	0.00	71.00
Collection System Engineering	24.00	24.00	0.00	0.00	24.00
Distribution System Engineering	10.00	10.00	0.00	0.00	17.00
Facility Engineering	29.50	29.50	0.00	0.00	30.00
Environmental Affairs & Conservation	90.70	90.20	0.00	0.00	89.35
Environmental and Regulatory Services	10.00	10.00	0.00	0.00	10.00
Public Affairs	8.35	7.85	0.00	0.00	8.00
Special Services	31.35	31.35	0.00	0.00	29.35
Water Conservation	20.00	20.00	0.00	0.00	20.00
Wildland Conservation	21.00	21.00	0.00	0.00	22.00
One Stop Shop	5.95	6.95	0.00	0.00	6.95
Inspection, Review, and Support	5.95	6.95	0.00	0.00	6.95
Pipeline Operations	348.00	349.00	0.00	0.00	349.00
Pipeline O&M Support	36.33	40.00	0.00	0.00	40.00
Pipeline Wastewater Operations	141.57	140.62	0.00	0.00	137.82
Pipeline Water Operations	170.10	168.38	0.00	0.00	171.18
Reclaimed Water Services	3.00	3.00	0.00	0.00	3.00
Reclaimed Water Services Support	3.00	3.00	0.00	0.00	3.00
Support Services	174.70	173.20	0.00	0.00	178.70
Departmental Support Services	174.70	173.20	0.00	0.00	178.70
Treatment	394.50	395.50	0.00	0.00	398.50
Process Engineering	7.00	7.00	0.00	0.00	7.00
Treatment O&M Support	108.00	108.00	0.00	0.00	109.00
Wastewater Operations	145.50	144.50	0.00	0.00	144.50
Water Operations	136.00	136.00	0.00	0.00	138.00
Water Resources Management	66.00	66.00	0.00	0.00	61.00
Engineering Design and Construction Standards	25.00	24.00	0.00	0.00	0.00
Infrastructure Management	8.00	8.00	0.00	0.00	17.00
Systems Planning	18.00	18.00	0.00	0.00	16.00
Utility Development Services	15.00	16.00	0.00	0.00	28.00
Total	1,146.35	1,147.35	0.00	0.00	1,157.50

Austin Water Revenue Stability Reserve Fund

Purpose and Nature of Fund

The Austin Water Revenue Stability Reserve Fund (Water Reserve Fund) was created for the purpose of offsetting current year water service revenue shortfalls below budgeted revenue levels.

The target funding level for the Water Reserve Fund is 120 days of the budgeted water operating requirements of Austin Water, which includes operations and maintenance and other operating transfers. In the event that any portion of the Water Reserve Fund is used, the balance will be replenished to the target levels within 5 years.

The goal is to reach the target funding level of 120 days of budgeted water operating requirements no later than 5 years. If the fund is drawn down prior to reaching the 120 day target during the first 5-year development period, the Water Reserve Fund surcharge shall not be lower than it was during the year in which the draw down occurred until such time as the fund reaches its 120 days of operating costs. If the fund is drawn down after reaching the 120 day target, the fund will be replenished within a 5-year period.

The Water Reserve Fund shall only be used to offset a current year water service revenue shortfall where actual water service revenue is less than the budgeted level by 10% or greater. The maximum use of the Water Reserve Fund in any fiscal year is 50% of the existing balance at the time of request for Council action.

When the target levels of the Water Reserve Fund are reached, any Water Reserve Fund surcharge shall be reduced to levels sufficient to only maintain the goal of 120 days of operating requirements as may be necessitated by changes in budgeted operating costs over time.

All interest earned by the Water Reserve Fund account shall remain in the Water Reserve Fund in order to offset funding and replenishment requirements and to minimize rate impacts for water customers.

Factors Affecting Revenue

Sources of funding for the Water Reserve Fund includes a Water Reserve Fund volumetric surcharge charged to all customer classes, operating reserves in excess of 60 days of operating requirements and any available net water service revenue after meeting all obligations of the Austin Water. The FY 2016-17 Budget includes projected revenue from the Water Reserve Fund volumetric surcharge.

Factors Affecting Requirements

Requirements are costs related to offsetting a current year water service revenue shortfall where actual water service revenue is less than the budgeted level by 10% or greater. The maximum use of the Water Reserve Fund in any fiscal year is 50% of the existing balance at the time of request for Council action.

The FY 2016-17 Budget does not include a transfer out from the Austin Water Revenue Stability Reserve Fund.

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Revenue	\$5,844,234	\$7,331,573	\$9,461,401	\$9,229,421	\$9,339,127
Requirements	\$0	\$0	\$0	\$0	\$0

Austin Water Utility Revenue Stability Reserve Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
BEGINNING BALANCE	<u>5,516,644</u>	<u>11,360,878</u>	<u>18,692,451</u>	<u>18,279,673</u>	<u>28,153,852</u>
REVENUE					
Use of Money & Property Interest	<u>8,354</u>	<u>26,820</u>	<u>92,745</u>	<u>25,000</u>	<u>44,008</u>
Total Revenue	<u>8,354</u>	<u>26,820</u>	<u>92,745</u>	<u>25,000</u>	<u>44,008</u>
TRANSFERS IN					
Austin Water Utility	<u>5,835,880</u>	<u>7,304,753</u>	<u>9,368,656</u>	<u>9,204,421</u>	<u>9,295,119</u>
Total Transfers In	<u>5,835,880</u>	<u>7,304,753</u>	<u>9,368,656</u>	<u>9,204,421</u>	<u>9,295,119</u>
TOTAL AVAILABLE FUNDS	<u>5,844,234</u>	<u>7,331,573</u>	<u>9,461,401</u>	<u>9,229,421</u>	<u>9,339,127</u>
TOTAL REQUIREMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	<u>5,844,234</u>	<u>7,331,573</u>	<u>9,461,401</u>	<u>9,229,421</u>	<u>9,339,127</u>
ADJUSTMENT TO GAAP	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
ENDING BALANCE	<u>11,360,878</u>	<u>18,692,451</u>	<u>28,153,852</u>	<u>27,509,094</u>	<u>37,492,979</u>

Note: Numbers may not add due to rounding.

Wildland Conservation Fund

Purpose and Nature of Fund

The Wildland Conservation Fund is responsible for the management of the Balcones Canyonlands Preserve (BCP) which preserves over 13,000 acres of City-owned property. The preserve is where the land and ecosystem can function in its natural condition and is not disturbed for purposes of agriculture, urban, or industrial use.

Program activities for BCP are covered under a federal Endangered Species Act section 10(a) permit, issued in May 1996. An interlocal Agreement between Austin and Travis County specifies that funding for implementation of the Balcones Canyonlands Conservation Plan (BCCP) Shared Vision and the permit is shared between the City of Austin and Travis County; while each entity is independently responsible for operations and maintenance of preserve lands that they own or acquire. Additionally, revenues generated through sales of BCCP Participation Certificates (mitigation credits) are split evenly between the City and County.

The BCP provides management and administration for a regional preserve system for endangered species. The preserve protects eight endangered species, two neotropical migratory songbirds (the golden-cheeked warbler and black-capped vireo), six karst-dwelling invertebrates, and twenty-seven species of concern living in western Travis County. Management of BCP also allows these areas to act as a sponge and filter, absorbing rainfall, filtering it through plants communities, layers of soil and roots, and release it into watershed areas.

Benefits of wildlands:

- Absorb rainfall and reduce flooding
- Protect habitat for a wide variety of wildlife
- Conserve native plants as a genetic seed bank for the future
- Enhance air quality through presence of vegetation
- Filter pollution and dilute impacts of development
- Preserve aspects of cultural history
- Serve as locations for research
- Provide access on some tracts for recreation and education
- Store and slowly release water into creeks, prolonging their flow
- Provide mitigation of public service infrastructure activities that disturb Endangered Species habitat
- Provide an alternative process for private property owners to mitigate their activities that disturb habitat
- Offer beautiful views adding to Austin's quality of life and reputation as a community that values its environment

Factors Affecting Revenue

The Wildland Conservation Fund is funded by payments of permit fees. Fees are collected when private property owners or non-signatory public entities elect to mitigate their projects through BCCP. The fees are based on a schedule established by the BCCP Coordinating Committee, City Council, Travis County Commissioners Court, and U. S. Fish and Wildlife Service.

Factors Affecting Requirements

Requirements for the maintenance of the Balcones Canyonlands Preserves are \$428,455. This year's expenditures will include \$53,455 for hiring two seasonal temporary employees to complete the United States Forest Service Research study, \$25,000 for planning and researching to develop a long-range ecosystem management plan for the Balcones Canyonlands Preserves and \$350,000 to purchase fencing.

	2013-14 Actual	2014-15 Actual	2015-16 Estimated	2015-16 Amended	2016-17 Proposed
Revenue	\$291,674	\$225,850	\$253,000	\$253,000	\$253,000
Requirements	\$328,431	\$599,443	\$181,105	\$428,455	\$428,455

Wildland Conservation Fund

	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ESTIMATED	2015-16 AMENDED	2016-17 PROPOSED
BEGINNING BALANCE	<u>1,264,717</u>	<u>1,228,243</u>	<u>854,650</u>	<u>1,042,863</u>	<u>926,545</u>
REVENUE					
Use of Money & Property Interest	1,262	2,313	3,000	3,000	3,000
Other Revenue					
Other Revenue	<u>290,413</u>	<u>223,538</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total Revenue	<u>291,674</u>	<u>225,850</u>	<u>253,000</u>	<u>253,000</u>	<u>253,000</u>
TOTAL AVAILABLE FUNDS	<u>291,674</u>	<u>225,850</u>	<u>253,000</u>	<u>253,000</u>	<u>253,000</u>
REQUIREMENTS					
Capital	268,004	502,561	100,000	350,000	350,000
Contractuals	<u>23,700</u>	<u>42,829</u>	<u>27,650</u>	<u>25,000</u>	<u>25,000</u>
Personnel	36,727	54,053	53,455	53,455	53,455
Total Requirements	<u>328,431</u>	<u>599,443</u>	<u>181,105</u>	<u>428,455</u>	<u>428,455</u>
TOTAL REQUIREMENTS	<u>328,431</u>	<u>599,443</u>	<u>181,105</u>	<u>428,455</u>	<u>428,455</u>
EXCESS (DEFICIENCY) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	<u>(36,757)</u>	<u>(373,593)</u>	<u>71,895</u>	<u>(175,455)</u>	<u>(175,455)</u>
ADJUSTMENT TO GAAP	<u>283</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
ENDING BALANCE	<u>1,228,243</u>	<u>854,650</u>	<u>926,545</u>	<u>867,408</u>	<u>751,090</u>

Note: Numbers may not add due to rounding